FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,737

Thursday September 26 1985

D 8523 B

Mexico City counts cost of disaster, Page 4

World news

China pushes for freer enterprise

Further decentralisation, the promotion of individual enterprise and an expansion of foreign trade contacts emerged as the three main planks to China's seventh five-year plan.

The full version of the draft proposals to take effect next year showed that the Chinese leadership was aiming for a freer marketplace and greatly reduced government intervention in the management of enterprises.

Zhao Ziyang, the Chinese Premier, said China's economy had reached a turning point in its development. Page 12

Minister quits

Marcel Masse, the Canadian Communications Minister, has resigned from the Cabinet after allegations of electoral malpractice. He is the second minister to resign from Prime Minister Brian Mulroney's Cabinet this week.

Clausen succession

Speculation is growing about who will succeed A. W. Clausen, president of the World Bank, when his term of office expires next June. Page 4

Gandhi's new team

Indian Prime Minister Rajiv Gandhi named his first Foreign Minister in the biggest shake-up of the Government for 18 years. He is Bali Ram Bhagat, a veteran politician. Page 3

Funeral protest

Chilean police fired tear-gas grenades and rubber bullets at stone-throwing mourners during the funeral of a young Communist whose body was found showing clear signs of torture.

Rome bomb attack

At least 14 people were injured, one seriously, in a bomb attack on the British Airways office in Rome.

Afghans 'kill 350'

Afghan government forces reportedly killed 300 guerrillas and 50 armed Pakistanis in fighting over the past few days in the south-eastern province of Paktia.

Chirac pledge

Three bombs exploded in Noumea, capital of the French territory of New Caledonia in the Pacific, hours after former French Prime Minister Jacques Chirac promised to reverse the Socialist Government's moves to grant limited independence. Elections, Page 2

Three shot on yacht

Three gunmen, believed to be Palestinians, seized a yacht at the marina in Larnaca, Cyprus, and shot dead three Israelis before surrendering to police.

Baby survives quake

A man and an eight-day-old baby were rescued alive from ruined buildings six days after the Mexico City earthquake. The latest official death toll was given as over 4,590. Incompetence amid rubble, Page 4

Manhattan protest

Nine members of an anti-apartheid group occupied the mid-Manhattan offices of South African Airways for three hours before being arrested by police and FBI agents.

Hurricane alert

U.S. weather forecasters warned that a major hurricane was heading towards the eastern seaboard from the Carolinas to Boston.

Car sold for $1m

U.S. tycoon Thomas Monaghan, founder of Domino's Pizza chain, bought a 1934 Duesenberg touring car for $1m, the highest documented price ever paid for a classic car.

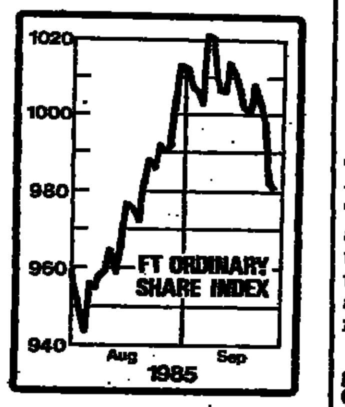
Business summary

Saudis order more Tornados

SAUDI ARABIA wants to buy a further 24 Tornados from British Aerospace. The value of the extra aircraft, with spare parts, would be about £500m ($715m) bringing the total value of the deal in prospect to nearly £4bn. Page 12

DOLLAR closed in New York at DM 2.6750, FFr 8.16, SwFr 2.1960 and Y226.10. It fell in London to DM 2.68 (DM 2.7140), FFr 8.20 (FFr 8.2740), SwFr 2.2065 (SwFr 2.2295) and Y226.90 (Y229.70). On Bank of England figures, the dollar's index fell to 134.1 from 134.4 Page 25

STERLING closed in New York at $1.4470 rose 80 points in London to close at $1.44. It fell to DM 3.86 (DM 3.8850), FFr 11.8075 (FFr 11.8475), SwFr 3.1775 (SwFr 3.1925) and Y328.75 (Y329). The pound's exchange-rate index fell to 82.6 from 82.8. Page 25



LONDON was depressed for the fourth consecutive day with the FT Ordinary share index 2.1 down at 980.6. Page 32

WALL STREET: The Dow Jones industrial average closed 9.07 down at 1,312.05. Page 32

TOKYO: Prices fell back after four sessions of gains. The Nikkei-Dow market average lost 50.79 to finish at 12,704.81. Page 32

GOLD rose $0.25 on the London bullion market to close at $328.75. It also rose in Zurich to $328.50 from $327.55. In New York, the Comex December settlement was $334.3. Page 24

HONG KONG's Law Society joined critics of the territory's government tax reform proposals with an attack on the planned reforms, intended to clamp down on tax avoidance. Page 14

SOLVAY Belgian chemicals group, recorded a 7 per cent profits rise in the first six months, compared to the 1984 figure, to reach BFr 4bn ($72m). Page 13

CANADIAN Imperial Bank of Commerce, one of the six big banks involved in an abortive attempt to bail out a failed Alberta institution in March, is threatening to sue the Government for the return of its C$255m (U.S.$187m) contribution to the rescue. Page 13

U.S. Federal Home Loan Bank Board is considering allowing healthy savings-and-loan associations to merge across state lines, putting them on a par with banks. Page 13

SME, Italian state-owned foods group at the centre of a long takeover battle, lifted its sales in the first half of 1985 by 14.2 per cent to L1,349bn ($736m). Page 13

SIME DARBY, Malaysian diversified group, has good long-term potential although immediate prospects are not bright, Tun Tan Siew Sin, group chairman, said in the annual report. Page 14

BURNS PHILP, the Australian trading and foods group, was helped by lower tax charges to a net earnings improvement of 40 per cent for the year ended June 30. The figure was A$34.5m ($24.7m), up from A$24.6m. Page 14

KAISER Aluminum and Chemical, the loss-making U.S. group, is the subject of a plan to "restructure and recapitalise" launched by an investment group that includes three affiliated partnerships. Page 13

Fabius blames Hernu despite Mitterrand's objections

M LAURENT FABIUS, the French Prime Minister, last night brushed aside objections from President François Mitterrand and named M Charles Hernu, the former Defence Minister, as having given the orders that resulted in the blowing up of the Rainbow Warrior, writes **David Housego in Paris.**

He said that after speaking to M Hernu and Admiral Pierre Lacoste, the dismissed head of the foreign intelligence service (DGSE), he was convinced that both had been responsible but "had acted out of a certain conception they had of the interests of our country."

M Hernu denied earlier this week that he had given any orders for the sinking, which he called "a scandalous act."

M Fabius described the decision to sink the boat as a "bad one". The "unfortunate way it was carried out" had had "damaging consequences."

M Fabius was speaking in a television broadcast in which for the first time he gave the Government's account of the operation. His statement ended immediate speculation that he was about to resign.

M Fabius' decision to name M Hernu despite President Mitterrand's objections reflects the considerable strains that have arisen between the Prime Minister and the President over the handling of the affair.

The Prime Minister believes that the only way the Government can be rid of the affair is by demonstrating that it is sincere in its determination to establish the truth. M Mitterrand has been loth to discard a long-time friend such as M Hernu and believes also that the military must be protected from blame.

M Mitterrand thus still had reservartions before the broadcast about M Fabius's naming M Hernu, even in the context of "ambiguous" orders. M Mitterrand feared that that might still implicate the Elysée Palace in that M Hernu was closely in touch at the time with General Jean Saulnier, then head of the President's personal military staff and now chief of staff of the armed forces.

In advance of the broadcast, M Mitterrand had asked the Prime Minister to exonerate Gen Saulnier. He did so in the belief that suspicions about the Elysée's role would otherwise linger and that accusations against Gen Saulnier in his present post would be damaging

M Charles Hernu

to the image of the French armed forces abroad.

M Mitterrand did have his way, however, yesterday over the naming of Gen René Imbot as the head of the DGSE. Gen Imbot is the army chief of staff and thus close to Gen Saulnier.

He was named to his present post by Gen Jeannou Lacaze, the former chief of staff of the armed forces, who is also said to have been kept in touch with the Greenpeace operation.

M Fabius said he had been convinced of the responsibility of M Hernu and Admiral Lacoste as a result of inquiries conducted by M Paul Quilès, the new Minister of Defence, and the questions he had put himself to M Hernu and the admiral. He declared that he "had never been informed" by the Defence Ministry of the preparations for the Greenpeace operation.

Senior members of the French Socialist party believed last night that M Fabius's statement was a big step towards ending the political crisis. But while it provides a credible version of what occurred and who gave the orders, it did not answer the questions over why the Government took so long to respond.

According to Le Monde, President Mitterrand was told of the presence of DGSE agents in New Zealand on July 18, eight days after the blowing up of the Rainbow Warrior. It was three weeks after that the Government set up the commission of inquiry under M Bernard Tricot.

As the new head of the DGSE, Gen Imbot will have the task of carrying out the reorganisation of the services announced by the Cabinet yesterday.

The French Pacific, Page 2

COMMISSION WANTS CONTROLLED CLOSURE SUBSIDIES

Brussels 'to enforce steel aid ban' unless new system agreed

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Commission yesterday warned governments of the Ten that unless they could agree on a new system of carefully controlled steel subsidies by the end of the year it would enforce a ban on all forms of state assistance to Community steel makers.

It will interpret literally and rigidly the clause in the European Coal and Steel Community Treaty that prohibits "subsidies or aids granted by states, or special charges imposed by states, in any form whatsoever."

This is the first time the Commission, which supervises the administration of subsidies under the EEC treaties, has taken such an unequivocal line towards the steel industry.

The 14-strong college of Commissioners adopted that interpretation of Community law in a decision designed to cut into a developing row among the Ten on how further to handle steel industry controls.

Under the present system, which expires at the end of the year, governments have been permitted to subsidise the steel industry in its efforts to cut capacity. Restructuring has continued under production quotas and minimum price controls.

There is a legal basis in the Coal and Steel Community Treaty for such a collective approach, where unforeseen difficulties are faced in reaching a full common market. But the collective approach is in danger of breaking down over whether further subsidies should be permitted after the end of this year, to encourage plant closures.

The dispute pitches West Germany against the rest. Bonn is adamant that closure subsidies should be prohibited, partly because of pressure from its domestic industry, which fears a spillover of such subsidies into operating aids in countries such as France and Italy.

The Iron and Steel Federation of West Germany yesterday returned to the attack again, urging the Bonn Government to block subsidies to steelmakers, even those already agreed.

The Commission would like a post-1985 system of carefully controlled subsidies for closures, plus further allowances for environmental and research and development spending, to bring steel into conformity with other Community industries.

What it is seeking now to do is to put pressure on the Ten to adopt a new collective approach to the steel industry that would avoid an industry free-for-all, damaging the restructuring that has already taken place.

The first test of the new policy will be on October 17 when industry ministers have another round of discussions on what to do after the end of this year.

● In another decision yesterday, the Commission settled proposals for the control of subsidies to the coal industry. The present system expires at the end of this year and without a new one, the coal industry, like steel, should be subject to the full rigour of a subsidies ban.

The Commission is suggesting that the present system continues for an extra six months and is then followed by a transitional period of a year, during which a ban on subsidies for stocks and recruitment to the industry would come into force. It suggests that the new system should run until December 1990.

Brazil rules out IMF demand for budget surplus next year

BY ANDREW WHITLEY AND ANATOLE KALETSKY IN RIO DE JANEIRO

BRAZIL will not attempt to balance its budget next year – a key political year – despite International Monetary Fund (IMF) demands for a substantial fiscal surplus, according to top officials of the Brazilian Government in an interview with the Financial Times.

Sr Dilson Funaro, the recently appointed Finance Minister, insisted: "A zero deficit in the first year of our adjustment programme is impossible." He made clear that the new economic team appointed this month intended to take a much more gradual approach to the over-indebted Brazilian public sector than its predecessor.

The IMF is known to be seeking a budget surplus in 1986 equivalent to at least 2 per cent of gross domestic product (GDP). It also believes that Brazil should achieve a steady 4 per cent surplus on its public-sector accounts, matching the net annual transfer of funds to creditors abroad.

In sharp contrast, Sr Joao Sayad, the powerful Planning Minister, said on Tuesday that he expected Brazil's internal debt to rise over the coming years with the GDP growth target of 5 to 6 per cent. That would produce an annual deficit of 1 to 1.5 per cent of GDP, marginally down on this year's expected deficit of 1.7 to 2 per cent.

Despite the wide gap between the two sides over the adjustment of Brazil's public accounts, the biggest bone of contention, the Brazilians nevertheless believe they can agree with the IMF on their own terms by the end of the year.

The political initiative on the debt issue launched in New York at the weekend has boosted confidence in Brazil over expected greater flexibility of the IMF in dealing with debtor countries.

The Brazilian Government, meanwhile, is adamant that it has now completed the "external adjustment" required to service its foreign debts. Any further policy changes that might threaten its politically vital domestic growth target are thus considered unacceptable.

Sr Fernao Bracher, new central bank governor, said: "The IMF has no justification for looking at the internal part of our policies unless they could interfere with the external adjustment – and they know little about the effects of fiscal policy on inflation and the balance of payments in an indexed economy."

Brazilian officials hope to persuade the IMF that deflationary fiscal policies would be an inappropriate response to the country's 235 per cent annual inflation. If an IMF agreement proved impossible, however, they would aim to bypass the Fund and strike a long-term rescheduling deal directly with Brazil's private bank creditors.

The country's hand is strengthened by its ability to pay the whole of its interest bills out of an annual trade surplus that is expected to remain around $12bn for the foreseeable future.

In dealing with its bank creditors, Brazil's aim is to reschedule principal payments on its $103bn foreign debt over a 16-year period. But Brazil wants to go well beyond the multi-year reschedulings already negotiated by Mexico and Venezuela.

According to Sr Funaro, Brazil will seek "safeguard clauses," which would commit the banks to providing the country with new facilities in the event of adverse developments in external factors, such as rises in interest rates. In exchange, Brazil could undertake to initiate capital repayments if economic performance improved beyond current expectations.

A less ambitious alternative would be simply to omit all mention of new money from the rescheduling agreement, leaving Brazil free to seek new lending from the banks in future years, if required.

The Brazilians stress, however, that they do not expect to seek new money within the next few years. According to Sr Sayad, the question of new borrowing might only arise after the Brazilian economy reaches its current capacity limits and requires large increases in investment. That is unlikely to occur in most sectors for at least three or four years, he said.

UK central bank acts to bolster supervision

By David Lascelles in London

THE NEW deputy governor of the Bank of England is to be Mr George Blunden, an experienced former official at the central bank, best known for the leading role he played in resolving the UK secondary banking crisis 10 years ago.

Mr Blunden, who is 62, is returning from semi-retirement to succeed Mr Christopher McMahon, who will resign at the end of this year to join Midland Bank, Britain's third largest commercial bank.

The appointment, which came as a surprise yesterday, was accompanied by an announcement from the central bank of far-reaching changes in its structure intended to strengthen UK banking supervision in the wake of the Johnson Matthey Bankers crisis, and to prepare for imminent changes in the UK financial services industry.

The Bank of England said the measures, which include the creation of a new top-level supervisory policy committee to be chaired by Mr Blunden, "involve substantial increases at all levels in the resources devoted to the supervision of individual institutions, to supervisory policy, and to co-ordination between different supervisors internationally and domestically."

Since last year, Mr Blunden has been a non-executive director of the central bank, and has taken other directorships with Eagle Star, the insurance group, and Grindlays Bank, which he will now have to give up. Before that, he held a wide variety of posts in the Bank of England in the course of a career dating back to 1947, including the head of banking supervision from 1974–1976.

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Changes for 'Old Lady', Page 10

Britain accepts EEC sanctions against Pretoria

BY REGINALD DALE, U.S. EDITOR, IN NEW YORK

Dr Fritz Leutwiler, chairman of Brown Boveri and former head of the Bank for International Settlements, has agreed to act as mediator between South Africa and its creditor banks. Page 12

BRITAIN yesterday belatedly fell into line with its EEC partners, announcing that it too could accept a list of "restrictive' measures" against South Africa agreed two weeks ago by the other nine Community governments together with Spain and Portugal.

The apparent turnround in Britain's policy, on which it had been isolated among the Western nations, was announced jointly in London and New York, where Sir Geoffrey Howe, the Foreign Secretary, was addressing the United Nations General Assembly.

The British announcement brought immediate condemnation from South Africa. Mr Pik Botha, the Foreign Minister, told Reuters in Pretoria that the action was "shortsighted, uncalled for and not going to assist reform."

The Foreign Office in London stressed meanwhile that the UK continued to oppose economic sanctions and trade boycotts against South Africa. "They would diminish rather than increase effective pressures on the South African Government to introduce fundamental changes and would bear most heavily on the weaker sections of the population and neighbouring countries," Sir Geoffrey told the UN.

The only immediate effect of the British announcement will be the recall of two defence attaches from the British embassy in Pretoria, the Foreign Office said. After carefully studying the other measures, the UK had concluded that it had, in fact, already been implementing them for a considerable time.

Britain already bans arms exports to South Africa and does not buy any South African weapons or co-operate militarily with Pretoria, British officials pointed out. There are no British cultural or scientific links with South Africa and sporting contacts are discouraged.

The UK does not export North Sea crude oil to South Africa and has not collaborated with the country on nuclear matters for a long time. Sales of equipment for the South African police and armed forces are already strictly licensed, the Foreign Office said.

There was no immediate explanation, however, of why it had taken the Government two weeks to find out that it was already implementing such policies. When the measures were approved by the other Community foreign ministers in Luxembourg on September 10. Mr Malcolm Rifkind, the Minister of State at the Foreign Office, said that he needed more time to study them – despite strong pressure from his partners to close ranks. British officials say that the list of measures had only been drafted within the 24 hours preceding the Luxembourg meeting.

After careful study, Britain had now concluded that rather than lagging behind its Community part-

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Prison assaults, Page 3

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Agreement on Mediterranean accord urged

BY QUENTIN PEEL IN BRUSSELS

THE POLITICAL stability of some Mediterranean states could be threatened if the European Community fails to agree on a new trade and investment deal before the end of the year, M Claude Cheysson, the European Commissioner and former French Foreign Minister, warned yesterday.

He made an urgent appeal to the 10 present EEC member states to honour their promise to negotiate a new package before the accession of Spain and Portugal to the Community on January 1, 1986.

M Cheysson was presenting the plans drawn up by the European Commission for EEC programmes to boost investment in both agriculture and industry in its Mediterranean trading partners, including the Maghreb countries of North Africa, Egypt, Israel, Jordan and Syria, Lebanon, Cyprus, Yugoslavia and Malta.

The proposals would help the Mediterranean countries reduce their massive food import bills, which have helped make them the EEC's third largest market, and the area with which the Ten enjoy their largest export surplus.

They represent the second part of a combined package put forward by the Commission to the member states, which would at the same time seek to maintain EEC imports of Mediterranean products like citrus fruit, olive oil and tomatoes at their current levels.

The Mediterranean countries fear that their exports will be sharply reduced by competition from Spain and Portugal once those countries start to enjoy duty-free access to the rest of the EEC. They want their present regime of tariff preferences further improved to help them compete—which is what the Commission is broadly proposing.

M Cheysson's additional package, approved by the Commission yesterday, would seek to promote greater European investment in the Mediterranean countries, particularly to increase their domestic food production.

He pointed out that Algeria only produced 31 per cent of its cereal consumption, and Egypt 53 per cent, while Morocco imported 91 per cent of its milk powder needs, and Tunisia 87 per cent.

The plans, to be submitted to EEC Foreign Ministers next week, will inevitably prove controversial because they would actually undermine a key market for EEC exports of its farm surpluses.

Italy and Greece are opposed to giving improved trade concessions to products like citrus and olive oil competing with their own agriculture—an argument strongly supported by Spain.

M Cheysson said it was nonetheless imperative to reach an agreement before the date of enlargement.

NZ rules out deal on Rainbow Warrior

WELLINGTON, – MR DAVID LANGE, the New Zealand Prime Minister, yesterday rejected any prospect of repatriating two French agents facing murder and sabotage charges in New Zealand in exchange for compensation from France in the Rainbow Warrior affair.

Speculation in Wellington and Paris that the Government would intervene to stop the trial of the two DGSE secret service agents was uninformed and irresponsible, Mr Lange said.

He said New Zealand judicial processes would proceed without outside interference.

Mr Lange was commenting on television and radio suggestions that French compensation payments could be tied to the release of the two agents, Mme Dominique Prieur and M Alain Mafart, who face trial in connection with the July 10 sinking of the Greenpeace protest ship Rainbow Warrior in which a crewman was killed.

Mr Lange said the speculation was unhelpful to dialogue with Paris which began formally in New York on Tuesday with a meeting between Mr Geoffrey Palmer, New Zealand Justice Minister, and M Roland Dumas, French External Relations Minister.

The bombing of the ship in Auckland harbour has badly strained bilateral ties and shaken the French Government. M Laurent Fabius, the French Prime Minister, admitted on Sunday the DGSE agents acted under orders.

M Charles Hernu, France's Defence Minister, resigned and the DGSE chief was sacked in the wake of the scandal.

Mme Prieur and M Mafart are being held in tight security in Auckland. A six-week preliminary hearing of prosecution evidence is due to start on November 4.

"The fact of the matter is that the two accused are now subject to the judicial process which will pursue its ordinary course without influence," Mr Lange said.

The statement made no direct reference to calls in New Caledonia by French opposition leader Jacques Chirac for the pair to be freed.

The two agents entered New Zealand shortly before the protest ship was sunk, calling themselves Sophie and Alain Turenge and carrying false Swiss passports.

The Vega, a Greenpeace organisation protest yacht watched by a French naval vessel, was anchored off the Mururoa Atoll yesterday awaiting a new series of French nuclear tests which it expects could start within a week. Reuter

Paris hopes Noumea poll will calm fears

BY DAVID HOUSEGO IN PARIS

RESIDENTS of New Caledonia go to the polls on Sunday in an election the French Government hopes will diffuse nationalist Melanesian sentiments by taking the islands down the first steps towards independence from France.

The white settler population, on the other hand, which wants New Caledonia to remain part of France is counting on the French right wing opposition to reverse the results of the poll if they win power in the French parliamentary elections in March.

Many of the opposition's most powerful spokesmen have thus been in New Caledonia this week for a campaign that is itself a prelure to the general election campaign.

M Jacques Chirac, the Mayor of Paris and leader of the neo-Gaullist RPR flew eastwards to Noumea, the capital, on Tuesday—but went to avoid travelling on the same plane as M Jean Marie Le Pen, the leader of the extremist National Front, who travelled westwards by the normal flight. The two compete for a similar audience.

But M Chirac has not been drawn into matching M Le Pen's extremist rhetoric. Before a large and noisy crowd in Noumea yesterday, he avoided any promise that an opposition victory would mean that New Caledonia would remain a part of France.

He declared instead that an opposition victory in March would be followed by a referendum in the territory on self-determination. If the vote was in favour of keeping French ties, M Chirac said Paris would introduce a new deal for the territory.

The Opposition is increasingly aware that rash promises now could leave them in difficulty after March.

Though opinion on the territory is increasingly polarised between the French settler population (about 40 per cent of the 145,000 population) and the Melanesian Nationalists there has been no repetition of the violence of last year.

Substantial security forces have been deployed for the campaign and for Sunday's election.

Three bomb blasts rocked the New Caledonia capital of Noumea yesterday, police said, Reuter reports.

Two blasts went off within five minutes of each other, one causing severe damage to a 10-storey government building. The third occurred as police rushed to the scene in the city centre.

There were no immediate reports of casualties and it was not known if independence-seeking Kanak militants or right-wing French settlers were responsible.

The last time that New Caledonia voted in November 1984, the result brought the territory close to civil war.

The pro-independence FLNKS boycotted the election and then took to arms when the outcome gave the settler RPCR party a majority in the new regional assembly.

In a country of bush and sparse population, the FLNKS soon controlled three-quarters of the islands. The Government reacted by stiffening security and proposing through M Edgar Pisani, the new Commissioner of the Territory, a form of independence in association with France.

Under M. Pisani's initial plans there was to have been a referendum on these proposals in July.

But they caused rioting among the settler population in New Caledonia and provoked bitter opposition from the right in France. M Pisani had to be recalled and his plans were in large measure redrafted.

The new proposals presented by M Laurent Fabius, the Prime Minister, this summer provide for the election of four regional councils with a considerable degree of autonomy over economic and social affairs.

In two of those areas—the north and the islands of Loyaute—the FLNKS will have no problem in obtaining a majority and thus getting their first experience of self-rule.

In the settler dominated Noumea region, the RPCR is also certain of victory. But the result in the central region could turn on a few votes with M Le Pen's National Front jeopardising the chances of the RPCR.

Though there has been no violence during the campaign it could flare up afterwards if the FLNKS won control of three of the four regions.

Why West Germany is not for turning

Bonn's economic stance remains firm. Jonathan Carr in Frankfurt reports.

WITH unconcealed satisfaction, the West Germans have been boasting that they came under no pressure from the U.S. at last weekend's Group of Five meeting to take extra steps to boost economic growth.

As far as the Government in Bonn and the Bundesbank in Frankfurt are concerned, it is up to others—notably the U.S. itself and the Japanese—to take action to help head off a "hard landing" of the world economy.

For the West Germans the rule is "steady as she goes" with an economic and financial policy which, in the official German view, evidently cannot be bettered.

As usual the Germans have an array of convincing sounding arguments for not changing their stance. They point out that their economy has actually been growing faster over the last year than that of the U.S. They say domestic consumer demand should strengthen next year thanks to planned tax cuts and the disposition of the trade unions to seek higher wages rather than shorter working hours for their members, and they stress that extra government spending would not cut the jobless total (witness the sad experience of the 1970s) but could bring more state borrowing, higher interest rates and—ultimately—less growth than would otherwise be attainable.

There are flaws in the arguments. West German economic growth over the last year or more has been induced, in the first place, by an export boom originating with the surge in demand in the U.S.—and precisely that is now in question.

West Germany is heading this year for a visible trade surplus of about DM 75bn (£19.3bn), more than DM 20bn above last year's record figure, and a current account surplus of some DM 35bn, a good DM 8bn more than the previous record in 1974.

It is far from clear that domestic demand will have enough impetus to take up the slack in the economy if exports flag. Next year's tax cuts amount to just DM 11bn (little more than 0.5 per cent of GNP), with no more cuts planned until 1988 (another DM 9bn).

And as for the argument about higher wages boosting coonsumer demand in 1986, no doubt the trade unions will press for this—but how far the employers will be ready to yield is quite another matter.

The Government is on somewhat firmer ground when it argues that a "quick fix" in the form of a state spending programme will not deal with the highly complex problem of unemployment.

But it is also true that the jobless total will rise if economic growth slackens. Moreover, if the Government took more of a hatchet to state subsidies (as it has long been promising), it could help finance a bigger tax cuts package and more public sector investment without markedly driving up interest rates (which at present are among the world's lowest).

None of that is meant to imply that the West Germans alone can act as a "locomotive" of the world economy. But the point is this. The U.S. Administration has evidently shifted its ground on currency intervention and is trying hard to address the twin problem of budget and trade deficits.

"About time too," Europeans may say, and gleefully recall the high U.S. official at this years's Davos management symposium who boasted of U.S. strengths and promised "we will continue to outperform you until you change."

That reaction would be understandable, but many will think that it would be politically and as well as economically wise for partner countries to use what scope they have to meet the U.S. half way. And one of those with scope unused so far is the Federal Republic of Germany.

Call for IAEA sanctions on Pretoria

By Patrick Blum in Vienna

BLACK AFRICAN states will call for tough new sanctions against South Africa at the International Atomic Energy Agency (IAEA) annual conference meeting this week in Vienna.

A draft resolution discussed yesterday by representatives from those states includes calls for South Africa to open all its nuclear installations to agency safety inspections, for a complete halt to nuclear co-operation by IAEA member states with South Africa, and for Pretoria to be excluded from participation in all agency conferences where this could help its exploitation of Namibia's uranium resources.

The resolution requests the IAEA to "exclude South African participation from all expert panels, conferences, seminars, etc, where such participation can assist South Africa to persist with its exploitation of Namibian uranium."

By focusing on Namibian uranium, the text reflects an attempt by the African states to gain maximum support from countries which might object to an all out ban on South Africa.

The resolution will embarrass the U.S. and Britain which oppose moves to curtail the rights of member organisations. A senior U.S. official said yesterday that if such a resolution was proposed his delegation would have to seek instructions from Washington on how to proceed. But he added that the U.S. would certainly oppose such a move.

He declined to say what, if any, other response the U.S. might make to the move. A British official said Britain would have no objection to calls on South Africa to open nuclear installations to inspections or for an end to nuclear co-operation from member states with South Africa, but that the UK would oppose any attempt to deny a member state's rights.

Three years ago the U.S. temporarily withdrew from the agency and threatened to pull out permanently if sanctions were applied against Israel following an Israeli nuclear installation.

A resolution against South Africa was passed by majority voting at last year's IAEA conference, but this did not exclude South Africa from participation in agency activities. A resolution which affects a members' rights and privileges requires a two-thirds majority.

The resolution also calls on member states to take action against companies involved in nuclear co-operation with South Africa, for an end to all research contracts with South Africa and for South Africa to stop illegal mining and exploitation of Namibian uranium.

In a separate move Iraq called yesterday for sanctions against Israel, a move which could also create serious problems for the U.S.

Commission bid to involve states in Eureka research

BY QUENTIN PEEL IN BRUSSELS

THE European Commission yesterday launched a new effort to involve the EEC and its institutions in the Eureka initiative for European research co-operation.

It called for the present scientific research effort of the Community, embodied in such schemes as the Esprit programme for co-operation in information technology, and the Brite programme for basic research in industrial technologies, to be extended from 1987 to 1991.

The new effort, intended to give substance to the European Technology Community approved in principle by EEC leaders at their Milan summit in June, would include new fields such as the use of space, marine sciences, transport engineering, and services and communications infrastructure.

It calls for the second phase of Esprit to be brought forward, in the light of the "highly successful" progress with EEC-wide co-operation in information technology research.

Approval of the latest plans by the Commission coincided with the publication yesterday of the 95 projects approved for contract negotiation under the second year of the Esprit programme, bringing to 173 the total number of research schemes now involved.

The Commission plan stresses the importance of involving the Community in the European research effort—and particularly the "necessity to ensure co-ordination and coherence of work carried out by the Eureka ad hoc committee

Oslo 'still seen as future gas supplier'

BY FAY GJESTER IN OSLO

A SENIOR official of the British Gas Corporation told an Oslo audience yesterday that "there will be no repeat of the Sleipner affair"—the proposed £20bn gas purchase deal between BGC and Statoil, the Norwegian state oil company which was vetoed last February by the Thatcher Government.

Speaking at the European Gas Conference, Mr J. A. Allcock, the corporation's director of petroleum purchasing, said he could not predict what Whitehall's attitude would be when and if the corporation should want to reopen gas purchase talks with Norway. But he could promise that his company—whether or not it had been privatised by then—would not negotiate "unless we are sure that we have an unambiguous mandate."

There would be no repeat of Sleipner, he said, "not just because the Norwegians won't put up with it. BGC won't put up with it."

Mr Allcock said the corporation still regards Norway as the most likely source of the additional supplies it will need from the mid-1990s. The company would "obviously consider all potential suppliers."

There were three main reasons why Norway was in a strong position. One was the size of Norwegian reserves, the second was the existence of spare capacity in the Frigg pipelines, (which link the Anglo-Norwegian Frigg field with St Fergus, in Scotland) and the third was the fact that "Norwegian supplies are considered secure."

A call for "speedy agreement" on development of Norway's giant Troll gas field was made at the conference by Dr Klaus Liesen of the German Ruhrgas group. He warned that "the prospects of Norwegian gas on the West European market during the late 1990s and beyond would deteriorate if the Troll decision were delayed for a protracted period."

The Troll field has an estimated 1.3 trillion (million, million) metres of recoverable reserves and could replace the Dutch Groningen field in importance if a supply deal is signed.

The Oslo Government has said no start will be made on the field's development until a sales agreement is reached. Talks about such an agreement between Statoil and a buying consortium including Ruhrgas have been in progress since May.

The two sides are understood to have agreed the amount to be supplied from the mid-1990s, but price remains a problem.

Prague sees one of the best grain crops this year

BY DAVID BUCHAN

CZECHOSLOVAKIA will reap a grain harvest this year of 11.5m tonnes, its second best crop ever, and will thus need virtually no hard currency food imports, Mr Miroslav Toman, Agriculture Minister, forecast yesterday.

Three good years for Czechoslovak farming—11m tonnes in 1983 and 12m tonnes in 1984—have played an important part in putting the country into substantial surplus on its hard currency trade, $850m (£607m) last year and nearly $600m in the first half of this year.

Mr Toman said in an interview that the emphasis of the next five years (1986-90) plan in agriculture would be to diversify the national diet with more vegetables and fruit, after achieving an 8-10 per cent increase in basic meat and grain products in the past five years.

The Prague Government has recently decided to permit, for the first time since World War II, direct foreign investment in its industry and agriculture in the form of joint ventures.

Mr Toman said he would be visiting Denmark, where he worked on a farm 20 years ago, at the end of next week.

This would be to conclude an industrial co-operation deal on behalf of the Czechoslovak enterprises, Agrozet and STS, for the purchase of sugar-beet machinery from the Danish company ABC Hansen. He hoped this and other deals might soon be translated into joint ventures.

UK warning on terrorism

By Andriana Ierodiaconou in Athens

Mr Jeremy Thomas, the British Ambassador in Athens, called yesterday for closer co-operation between Greece and Britain against terrorism, warning that the phenomenon could hurt the largely British-supported Greek tourist industry.

"Britain and Greece have to work together to pool resources, skills and information. It is important for Greece to demonstrate its capacity to play its full part in tackling what is a direct threat to its tourist industry," Mr Thomas said in a speech to the British-Hellenic Chamber of Commerce.

In September a bomb attack at a beach hotel close to Athens injured 19 British holidaymakers.

Gorbachev replaces two regional officials

BY PATRICK COCKBURN IN MOSCOW

THE changes in the senior ranks of the Soviet Communist Party being carried out by Mr Mikhail Gorbachev, the Soviet leader, have resumed this week after a brief hiatus in August.

Mr Kenes Aukhadiyev, the First Secretary of the Communist Party in Alma Ata, the capital of Kazakhstan in central Asia was moved to a managerial position at a meeting on Tuesday, according to the Communist Party daily Pravda.

The party leadership for the city, which has a population of over a million, carries with it membership of the Communist Party central committee, the 300-strong body at the core of decision making in the Soviet Union.

Mr Anatoly Drygin, party leader for the Vologda region north of Moscow for 24 years, has also been replaced. Pravda praised his decision to retire as "demanding a special kind of courage."

This carries the implication that other senior members of the party and government might also consider retirement after equally long periods holding senior posts.

Some 23 regional party leaders or first secretaries out of a total of 159 have been moved since Mr Gorbachev took over last March and more are expected to go in the lead up to the next party congress on February 25 1986.

● The Kremlin yesterday signalled a measure of leeway for East European states to decide their own economic policies, issuing an official report recognising "national peculiarities" among communist states, Reuter reports.

The phrase came in a report by the official Tass news agency of a meeting this morning between new Kremlin chief Mikhail Gorbachev and Hungarian leader Janos Kadar, whose country is the pioneer of economic reform in the Soviet bloc.

But it also stressed the shared aspects of communist countries' economic systems and called for greater integration and co-operation.

Czechoslovaks turn to religion as civil rights struggle wanes

BY LESLIE COLITT, RECENTLY IN PRAGUE

CZECHOSLOVAKS, when asked their opinion about the civil rights group Charter 77, invariably gaze sceptically, shrug their shoulders and change the subject. The tiny dissident group, created in 1977, is better known in the West than in Czechoslovakia where citizens appear to be more active in the pursuit of material goods than in striving for seemingly unattainable goals.

The present spokesman for Charter 77's approximately 1,000 signatories, Mr Jiri Dienstbier, lives in a Prague flat above the office of the East German news agency ADN. It provides for some comical situations, as the building is frequently under surveillance by the security police.

He acknowledged the difficulty of saying anything new about a political situation in which, he noted, "everyone has known everything for the past 30 years and all beliefs and ideas have been destroyed."

Charter 77 nevertheless continue to release a flood of statements calling on the Prague Government to respect the human rights enumerated in the 1975 Helsinki Declaration and other international agreements ratified by Czechoslovakia.

Several of its leading members were taken into custody last month for 48 hours and then released after drafting a statement for the 17th anniversary of the Warsaw Pact occupation of Czechoslovakia. It demanded that the Soviet Union reduce its troop levels in the country.

Mr Dienstbier is frequently summoned for police questioning which he routinely refuses to answer; he is then permitted to return to his job as a stoker in a housing complex. The former journalist was in prison from 1979 to 1982 along with other prominent Charter members and was offered an exit permit for the West which he rejected.

He said that despite the harassment and the inability of Charter 77 to influence the Government, its members would keep up their activities because things could change at any time.

"Whether the situation will change tomorrow or in 15 years no one can say."

Meanwhile, the authorities are faced with a revival of interest in religion among Czecholoslovaks, which could prove far more difficult to deal with than Charter 77.

Last July, more than 100,000 Catholics gathered at Velehrad in southern Moravia for celebrations on the 1,100th anniversary of the burial nearby of St Methodius, the apostle of the Slavs. Another 100,000 Catholics assembled that same day for a pilgrimage in Levoca in Slovakia. It was one of the largest public expressions of religious faith in Czechoslovakia since the Communists took power in 1948, ushering in a church-state conflict which has intensified in recent years.

In the study of his palace adjoining Prague Castle, Frantisek Cardinal Tomasek, the outspoken 86-year-old Archbishop of Prague, said he was "surprised" by what had happened in Velehrad. Mr Milan Klusak, the Czech Minister of Culture, was heckled there during his speech in which he described the celebration as a peace forum. A pro-Government bishop met with shouts from the crowd of: "We want loyal priests."

Millions of Czechoslovaks saw these outbursts on Austrian and West German television, which probably led the Government to cancel a scheduled meeting the following day with Agostino Cardinal Casaroli, the Vatican's Secretary of State, who delivered a sermon in Velehrad.

He had already conferred in Prague with Mr Gustav Husak, the Czechoslovak President, and Mr Vladimir Janku, head of the Government's Secretariat for Church Affairs, in an attempt to improve their highly starined relations. But the "events" of Velehrad, as Cardinal Tomasek calls them, made this appear less likely than before.

The cardinal said it was significant that at Velehrad those who had "displayed their faith" were mainly young people. Each year, he noted, more of them were openly prepared to "sacrifice everything" for the church. He emphasised this was not in protest against the Government but rather because of their "hunger for God."

If so, this can only be cold comfort to the Government. Since 1948, the authorities have conducted what they describe as "long and patient enlightenment work" and were convinced they had reduced the influence of religion on Czechoslovaks.

Religious influence had already begun to wane after the First World War because the Catholic Church had been one of the pillars of hated Austro-Hungarian rule. But official figures released last year showed that 36 per cent of citizens over 15 years were still religious believers, with 30 per cent in the mainly Protestant Czech lands of Bohemia and Moravia and 51 per cent in predominantly Catholic Slovakia, where some 17 per cent of children are baptised.

Whtaever the numbers, the Catholic Church in Czechoslovakia remains under strict government control. Priests cannot be ordained without official approval and are paid by the Government. Parents must receive permission from the authorities for their children to be given religious instruction and priests who teach catechism without official approval are stripped of their licence and must take jobs as workers. Some 40 priests are in this situation according to Cardinal Tomasek.

The "unofficial" priests are active in the so-called underground church where mass is held in private flats which are occasionally raided by the police. The Government has called on the Vatican to put an end to the underground church, which Cardinal Tomasek said would only disappear when the church was given "complete freedom."

Ten bishoprics out of 13 in Czechoslovakia are vacant, along with two archbishoprics including the one for Slovakia. The Vatican refuses to accept official candidates from among the 500 or so priests in the pro-Government pacem in terris organisation. The Government, until now, has failed to consider any of the church's candidates from among the remaining 2,600 priests in Czechoslovakia.

Cardinal Tomasek said the church expected that at least three bishops would be appointed to vacant dioceses as a result of the next round of negotiations in the autumn between the Prague authorities and the Vatican. He suggested that progress was "more likely" than in the past because the authorities now realised just how many citizens were religious believers and therefore would endeavour to satisfy them.

The cardinal's optimism, however, may have been calculated. The Government is felt unlikely to make concessions in the face of religious stirrings which it perceives as a threat

CZECHOSLOVAKIA has accused the Vatican of aiming to turn the country's Catholics into a potential "centre of opposition" to the Communist Government, writes Leslie Colitt.

A leading Communist publication in Prague said the Vatican was attempting to harness the Catholic Church in Czechoslovakia for "actions which weaken and destabilise Socialism."

The charges in the monthly magazine Problems of Peace and Socialism, followed a massive gathering of Czechoslovak Catholics this summer at which Government representatives were heckled by the crowd.

The publication said "clerical anti-Communist has shown raving hostility" toward Czechoslovakia after the hopes placed in an "isolated handful of dissidents" were smashed. The reference was to the Charter 77 civil rights group in Prague. It said accusations that religion and the Church in Czechoslovakia were forcefully suppressed were "malicious slander."

The article noted that religious believers in Czechoslovakia enjoyed "the same civil rights as athiests" and that the state did not interfere in the Church's internal affairs. It added that surveys showed nearly 80 per cent of Czechoslovaks did not regard the religious education of their children as "meaningful."

The Vatican's support for the "aggressive circles of imperialism" meant that a decisive rebuff would have to be delivered to "reactionary clericalism." This, the report said, was necessary in order to "free the mass of believers from the chains" which prevented them from supporting the Government.

FINANCIAL TIMES

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter-Societäts-Druckerei-GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. © The Financial Times Ltd, 1985.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, N.Y. 10022.

HIGH TURNOUT SEEN AS VICTORY FOR GANDHI

Terrorist threats fail to deter Punjab electors from voting

BY JOHN ELLIOTT IN AMRITSAR

THE people of the northern Indian state of Punjab, whose lives have been racked by Sikh extremists violence and oppressive security operations for the past three years, yesterday overwhelmingly demonstrated their desire for peace when about 60 per cent of the 10.5m electorate defied terrorists threats and peacefully went to vote in the state's regional and national elections.

The turnout which matched the record of past elections—was a resounding victory for Mr Rajiv Gandhi, the Indian Prime Minister. It was also a referendum-style approval for the accord on Punjab's problems which he reached two months ago with the Sikh's late political leader, Sant Harchand Singh Longowal of the Akali Dal (L) Party.

The vote might be large enough to put the Akali Dal into power instead of Mr Gandhi's Congress (I), which many Punjabis feel might provide the best chance of peace. But the voting was too close for any firm forecast.

There were some isolated stabbing incidents typical of any Indian election, in which one person died, but the lack of any significant violence and the relaxed atmosphere surprised even the most experienced local politicians and the day started with some tension and a lot of apprehension.

One of the first voters in Amritsar, home of the Sikh's revered Golden Temple which was taken over by the Indian army 15 months ago, was Mr Raghunandan Lal Bhatia, a 60-year-old national secretary of Mr Gandhi's Congress (I) Party, who narrowly escaped death in April when a Sikh terrorists shot him in his garden, cracking his jaw and shaving his neck with bullets.

"I am safe because I pray every morning," said Mr Bhatia, admiting he also put on a bullet-proof vest. At 7.45 am he walked with his wife past a dozen heavily armed guards and a sandbagged sentry post in his garden and drove to the local polling station followed by a jeep with a manned machine gun and seven other guards carrying sten guns.

At the polling booth he was protected more informally by a swarm of reporters and television cameramen and slowly the tension eased.

Later in the morning kites were flying in the Punjab sky as people indulged in north Indians' seasonal sport of kite fighting. This reflected the mood of Tuesday night when streets and gardens came to life with the processions' lights and brass bands of wedding parties—this is an auspicious week for weddings according to Hindu astrologers.

In the roads round the Golden Temple yesterday there was an almost festive air, replacing the old tension, with bright election banners and flags flying and people jostling freely round political parties' stalls.

But the security operations involved at least 120,000 troops and police and was intensive. All the 13,000 polling booths in towns and villages were guarded by between three and 10 armed guards.

The guards were watching not only for the terrorist attacks that never came but also for local squabbles that might have sparked violence. There were a few minor clashes and it was reported from one village north of Amritsar that not one person voted.

Voters talked about the elections being just the beginning, of the need for Punjab to be given the concessions offered in the Gandhi-Longowal accord for boosted economic development, as well as the need for the state's financially bankrupt government to be made viable.

But generally they were voting because they welcomed the return to democracy after two years of being governed direct from Delhi by president's rule, even though they knew that yesterday's calm does not guarantee freedom from violence.

"It is good to have an election. At least today we are being asked what we think. It is government by the people, for the people, of the people. Although of course Abraham Lincoln was killed by an assassin," said an elderly farmer, retired Maj Sant Singh, at a Tarn Taran polling station.

Gandhi promotes aides in first Government reshuffle

MR RAJIV GANDHI, the Indian Prime Minister, yesterday gave two of his most trusted aides major ministerial responsibility for the country's internal and external security in the first major reshuffle since his Government took office in January, John Elliott reports.

The reshuffle also gives Mr Gandhi direct charge of the Ministry of Defence, and rationalises other parts of his administration. A distinguished elderly politician, Mr Bali Ram Bhagat, has also been made Minister for External Affairs, a post previously held by Mr Gandhi.

It was significant that Mr Gandhi announced the reshuffle on the day of the Punjab elections which the Government hopes will gradually free India of its most serious centre of violent unrest.

Mr Gandhi knows that the threat of Sikh terrorist attacks will, however, continue and the country's security forces are inexperienced and often inefficient.

Because of the need for a stronger security operation, Mr Gandhi has appointed Mr Arun Nehru to a new Home Ministry post of Minister of State in charge of internal security including police, rehabilitation and law and order.

Mr Nehru, who is in his early 40s, is a tough ex-business executive who used to be Mr Gandhi's most senior personal assistant. But he was made Minister for Power in January to give him ministerial experience after he had upset many party workers and politicians with his brusque style.

Mr Arun Singh, also in his early 40s, moves from running Mr Gandhi's private office (where he has antagonised senior departmental civil servants) to a new post of Minister of State for defence research and development organisation. This is believed to include responsibility for nuclear research. Mr Gandhi has warned several times recently that India would consider reviving its nuclear weapons programme if it becomes clear that Pakistan has developed a nuclear capability.

Iraqi jets attack Iran's oil terminal

Iraq yesterday said its warplanes attacked Kharg Island in the 12th reported raid on Iran's main il export terminal since August 15, Reuter reports from Baghdad. There was no immediate report on damage, but shipping and oil industry sources said previous raids caused heavy damage at the northern Gulf terminal.

Uganda rebels' defeat

THE Ugandan Government yesterday said it had repulsed a rebel attack on the important southwestern town of Masaka as peace talks between the military administration and the insurgents resumed in Kenya, Reuter reports from Nairobi. Uganda's official radio said: "A number of civilians lost their lives but the situation is now under control" at Masaka, 80 miles southwest of Kampala.

In London, the Foreign Office warned Britons not to visit Uganda unless absolutely necessary because of the renewed fighting.

Syrians in clashes

Efforts by Syria to end prolonged battles in Tripoli were frozen yesterday after Moslem gunmen clashed with Syrian troops twice in 24 hours, writes Reuter from the north Lebanese city. The clashes appeared to indicate opposition by Sunni fundamentalists to a Syrian demand for its troops to enter the city and collect militia weapons.

Car bomb in Tehran

A car bomb in central Tehran yesterday killed one person and injured several others, according to a Tehran radio report quoted by Reuter. The device went off as thousands were gathering to march in religious processions, which, the report said, went ahead with little disruption.

S. African judge orders halt to prison assaults

BY ANTHONY ROBINSON IN JOHANNESBURG

A SOUTH AFRICAN judge yesterday ordered police at two prisons in the Port Elizabeth area to stop assaulting detainees arrested under the state of emergency following "overwhelming evidence" of assault and abuse presented in court by a government doctor attached to the Port Elizabeth Surgeons Office.

Dr Wendy Orr, appeared before Mr Justice Eksteen at the Port Elizabeth Supreme Court together with 44 relatives of detainees to seek an urgent interdict against the Minister of Police, senior police officers and individual policemen restraining them from assaults on present and future detainees at the St Albans and North End prisons.

Out of 186 detainees who complained of assault between July 22 to September 16, she said that 153 cases showed injuries which could not have been inflicted legally. In 60 cases detainees had facial injuries, eight had perforated eardrums, 26 had weals and blisters consistent with blows on "unusual parts" of their bodies, 48 had a multiplicity of injuries and in one case a detainee had bruising of the genitals.

On August 16 she reported examining 170 detainees who had been admitted the previous day and roughly half alleged that they had been assaulted. Several had eardrums freshly perforated, consistent with a heavy blow on the side of the head while one had weals from shoulders to buttocks. "There "There were so many weals I could not count them." They were superimposed on each other she added.

She also recalled an earlier case when a man taken for interogation the previous day had returned with "large areas of severe and deep bruising on the lower back and buttocks. The bruises were prominently purple red and consistent with a particularly violent assault with a blunt instrument" she said in evidence.

Dr Orr accused the Departments of Prisons and Health of turning a blind eye and of "callousness in their lack of concern for the plight of detainees." Police who acted under the emergency regulations she said apparently believed they enjoyed immunity and were "quite unrestrained in the abuses they inflicted."

In granting the interdict, Justice Eksteen specifically declared that "no member of the South African police enjoys any immunity in terms of the emergency regulations against civil or criminal proceedings from any wilful assault perpetrated on a detainee held under the emergency regulations."

'Today it's potatoes and milk'

By Our Johannesburg Correspondent

IT WAS one of those surreal South African happenings.

Two khaki army trucks lumbered into a parking lot behind Soweto's Baragwanath hospital. They were full of black and white soldiers lounging on sacks of milk powder and potatoes. A military helicopter droned into sight and disgorged its load of white officials dominated by the bulky frame of Mr Willy van Niekerk, the Minister of Health.

Towards the helicopter came a welcoming party of local black mayors headed by Mr Edward Kunene, the Mayor of Soweto—a diminutive figure in pin-striped suit and silver chain of office. The Minister told the major: "Today it's potatoes and milk, but tomorrow we've got a whole truck-load full of bananas." The major beamed.

Beefy Afrikaaner soldiers in fatigues emblazoned with names like Strydom, Potgeiter and Oberholzer formed a chain with their black comrades in arms to unload the sacks from the trucks.

"I'm here to show the Government's concern at the hunger caused by the recession and the lack of jobs and also our compassion for those who are victims of intimidation by Marxist terrorists," Mr Van Niekerk began.

"The army has already distributed 87,000 tons of foodstuffs to the needy of the Eastern Cape and now we are doing the same here in the Transvaal. We want you as the elected representatives of the people to distribute this food and show to the people you have the means and the power to look after them."

Then it was the turn of Mr Kunene, whose house was firebombed two months ago and who travels everywhere with his bodyguards. "We are called puppets. But we are here to help the people and help the starving. We know the Government has the interests of blacks at heart and I want to assure the Government that we are standing behind it and fighting to make our local authorities a success," he said to polite applause from the white officials and army officials behind him.

Pretoria plans further homeland consolidation

THE South African Government has followed up its controversial proposals for consolidation of the fragmented Kwazulu homeland with new plans which will add 255,000 hectares of mainly arable land to the three homelands of Lebowo, Kazankulu and Kwandebele in the northern Transvaal, Anthony Robinson reports.

Under the plans, 125,000 blacks scheduled for forced removal will no longer be moved as the land on which they are living will be purchased from its white owners and transferred to one of the three homelands. But an unspecified number of blacks living on three white farms which were originally earmarked for consolidation will be moved to the enlarged Kwandebele.

The Government has promised that re-settlement would be carried out in future only by consent and after consultations.

Mr Chris Heunis, Minister of Constitutional Development, who anounced the latest proposals, underlined the Government's continuing commitment to the homeland system.

"Whatever the constitutional future of South Africa the existence of these states must be part of the answer," he said.

Exports 'key' to China's next plan

BY ROBERT THOMSON IN PEKING

THE corner-stone of China's modernisation drive for the next five years will be an attempt to lift export performance and increase foreign exchange earnings.

A draft proposal of the country's Seventh Five-Year Plan (1986-1990) called an increase in foreign earnings "the key" to China's open-door policy. However, in the past year, imports have boomed while exports have barely risen, causing a trade deficit in the first half of 1985 of \$3.2bn or \$6.4bn, depending on which department you believe.

The proposal outlines two changes in the mix of China's export commodities: major exports must change from primary products to finished products, and those exports must change from semi-finished products to finished products.

In order to achieve the plan's aims, the draft proposal calls for China to use "such economic levers as pricing, exchange rates and customs duties to encourage the production of export commodities."

Earlier this year, Chinese authorities gave an example of exactly how they use such levers—an import regulatory tax was summarily imposed, lifting duties on some foreign goods by 80 per cent in an attempt to price them out of the market.

"We should make every effort to produce at home those goods that China can produce and refrain from blindly importing them . . . we should reduce the proportion of imported components and gradually substitute ones of our own manufacture," the proposal says.

The plan calls for an annual growth rate in the economy of 7 per cent in each of the five years, and total trade is predicted to increase by 40 to 50 per cent by 1990. Other targets set include: increasing total industrial and agricultural production by 60 per cent by 1990 and lifting coal production from 772m tons in 1984 to 1bn tons in 1990.

If all goes to plan, crude oil production will rise from last year's 114.5m tons to 150m tons in 1990, and electricity production will rise from 374.6bn KWh to 550bn KWh in the same period.

In agriculture, the proposal calls for an end to the "irrational setting of quotas so as to lighten the burden on peasants" and allowing more individual responsibility and less central control. Enterprise will be rewarded: "Make it a principle that any one who invests in or manages an enterprise will receive the benefit of it."

The motive of encouraging the profit motive is to encourage the country's peasants — there are 800m of them, compared to 200m urban dwellers — to establish their own storage facilities and initiate their own sideline ventures.

To further the cause of the "planned market economy," as the leadership describes the Chinese economy, the role of market forces is to be increased, and only a few products will remain subsidised by the state.

"The key to the gradual establishment and perfection of the market system is reform of the pricing and pricing control systems. Except for a few major commodities whose prices should continue to be determined by the state, price controls on everyday consumer goods should be systematically relaxed and replaced by market regulation," the proposal said.

The economic reform programme has been plagued by a rise in corruption both within and outside the Communist Party. Conservative members within the leadership, disapproving of the shift away from central planning, have pushed the corruption issue and regard it as reason enough to turn the reforms around.

Chinese and Soviet officials will meet in Peking on October 4 for further talks on normalising their relations, the first since the two countries signed a long-term trade pact in July, a Foreign Ministry spokesman told Reuter in Peking. Meanwhile, Mr Eduard Shevardnadze, Soviet Foreign Minister, will visit Japan late this year or early in 1986, Reuter adds from Tokyo.

Hong Kong election serves to sow seeds of decision making

BY DAVID DODWELL IN HONG KONG

"ELECTION" fever takes root in Hong Kong" trumpeted the South China Morning Post, the territory's leading English language daily newspaper, early this week. It was signposting indirect elections that today mark a first tentative step towards democratic government

Mixed metaphors apart, this burst of enthusiasm triggered more titters than anything else. Not that the event is without significance, but with less than 1 per cent of the territory's 5.5m population eligible to vote, and less than half these actually likely to exercise their new-found democratic rights, talk of fever is taking things too far.

Nevertheless, with sovereignty in Hong Kong certain to revert to China in less than 12 years time there is a widespread feeling that if Hong Kong is to maintain the "high degree of autonomy" promised by Peking last year in the Sino-British agreement on the territory's future, then no opportunity can be lost to root decision-making power among Hong Kong people.

The election coincides with the first anniversary of the successful completion of Britain's secret negotiations with China over the transfer of sovereignty.

Bodies like the Sino-British Joint Liaison Group and the Land Commission have begun their work on overseeing the transition to Chinese sovereignty. Work has begun on legal changes. Peking's representatives in Hong Kong have taken the first steps towards drafting the basic law that will provide the constitutional framework for post-1997 Hong Kong.

Two embryonic parties have emerged — one around Mr Allen Lee, and a second around Miss Maria Tam, both of whom are nominated members of the Legislative Council. Both groupings have evolved basic political platforms. Mr Lee's grouping has even provided backing for a group of candidates in today's election, and plans a membership campaign in the near future.

Maria Tam: leading an embryionic political party

The Government has warned it will not tolerate "adversary politics," but has so far held its tongue.

Today's elections involve contests for 24 seats in Hong Kong's 56-seat Legislative Council. Until now, elections have only been held for subordinate political bodies like the urban councils. Even today, Hong Kong's supreme political body, the Executive Council, remains wholly appointed by Britain's colonial Governor.

Controversially, the Hong Kong Government felt that direct elections to the Legislative Council at this stage would be courting danger. While China has agreed not to interfere in government before 1997, it has put on Britain a responsibility to preserve the "stability and prosperity" that has in recent years made Hong Kong the source of more than one-third of China's foreign exchange earnings.

China has made clear its reservations about Western-style democracy in the territory, and this has made Britain's instinctively conservative colonial government doubly cautious in its political reforms.

As a result, a complex system of indirect election has been devised. An electoral college of Hong Kong's urban councils and district boards will elect 12 legislative councillors, while a series of "functional constituencies" mostly representing Hong Kong's professional classes will elect a further 12. The Governor will nominate a further 22 councillors, the final 10 members of the Legislative Council being government officials.

Few policy issues separate the various candidates, and campaigns as a result have normally focussed on personalities.

Debate over the introduction of direct elections is likely to become fierce between now and 1987, when a review of electoral procedures has been promised.

The more vocal advocates of rapid political reform argue that direct elections must be in place before 1990—by which time the basic law will have been drafted—if they are to have any chance of surviving. They insist therefore that the next elections in 1988 must provide for a universal franchise.

As Hong Kong today celebrates the birth of democracy, there are already those who say it is a retarded form of democracy destined to a short life.

IMF defers decision on Philippine loan

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE International Monetary Fund has deferred a decision on whether the Philippines can resume drawings on its SDR 615m (£450m) standby credit to allow more time for talks on new economic targets with the Government of President Ferdinand Marcos.

Speaking in London earlier this month Mr Cesar Virata, the Prime Minister, said the IMF board was due to make a decision on the Philippines loan yesterday. In fact its discussions were confined to a routine review of the Philippines economy under its Article IV consultation procedure.

But monetary sources in Washington said a revised letter of intent submitted by the Philippines last week has met a broadly sympathetic response from the IMF's staff. The new letter calls for an expansion of the budget deficit to around 1.5 per cent of gross national product from a ceiling of 1 per cent previously.

Mr Virata said that the original target was overkill. Latest figures show the Philippine economy contracted by 4.6 per cent in the first half of the year.

As talks between the two sides are due to continue, the sources said no timetable had been set for an agreement to release the next \$160m tranche of the IMF loan. The next \$175m drawing on a \$925m credit from commercial banks also hinges on this agreement.

AMERICAN NEWS

Incompetence laid bare in rubble

Mexico is still counting the cost, both financial and human, of last week's earthquake, writes David Gardner

THE TWO huge earthquakes which ripped through the centre of Mexico City last week succeeded in laying bare the *problems of overcrowding*, bad planning, sub-standard building *techniques and a corrupt* officialdom.

Extensive *areas of the six* central districts which took the full force of the quakes were razed, but there are relatively undamaged buildings still standing amid the rubble of others which went down like wedding cakes from which the columns had been pulled out.

The destruction seems almost to have followed some eerie *path through certain districts*, types of structure and Mexico's history.

The Aztecs who centralised most of southern and central Mexico built well on this highland valley despite the seemingly eccentric decision to site their capital, Tenochtitlan, in the middle of a lake; so did their Spanish conquistadores who built Mexico City on the same foundation.

The shell of the colonial city and its important monuments, *centrally located in the quake's* path, emerged practically unscathed while more recent structures around them were shredded by shocks which registered 7.8 and 7.3 on the Richter Scale.

The two areas at the social *extremes of this megalopolis* of 17m people were untouched—the residential *Lomas district* above the original lake bed and Nezahuacoyotl, the slum in the heart of the old lake, (which *was developed for 23,000 people* and now holds 4m).

According to *one leading* architect employed by the Mexican Government, Lomas was saved by being off the lake on solid mountain, while Nezahuacoyotl has the lake as the shock absorber and no buildings over three storeys.

Most of the buildings destroyed were more than four floors, and sited in central area where drainage to meet the city's ever-growing need for water has made the subsoil brittle.

"The problem is simply one of abuse of the land, which can't take all that we have tried to make it do," said the architect. "There has been no government here as far as construction is concerned."

The Government itself was *brought to a standstill* by the disaster, overwhelmed by its magnitude and hampered by the loss of so many of its *offices*. Some Ministries are being relocated—Trade and In*dustry* has *moved to* the Foreign Trade Institute—and the business of daily government is resuming slowly.

After the last major earthquake in 1959, which registered in the capital at 5.8 on the Richter Scale, contractors were required by law to construct *all buildings to resist an 8 point* shock. Plainly, the 770 build*ings the Government says have* collapsed and the 1,000 now being demolished, did not.

There is also a problem of *corruption*. Another prominent architect pointed out that any good design can be undermined by bad construction, and doubly so if there is collusion between private contractors and corrupt officials whose commission for awarding the contract comes out of the building's budget. *The architect said he* saw evidence of such gerry *building* in the rubble of the central neighbourhood.

*According to the Govern*ment's definition, less than one *sixth of the ruined buildings* were public, including five ministries, two major hospitals and more than 20 schools. It is not clear, however, whether the Trade and Industry, and Agrarian Reform Ministries, which were rented, are included in the Government's estimate.

It is also unclear whether officials include the Tlatelolco *high-rise development near the* Foreign Ministry, which was state-built but *privately-owned* apartments. An estimated 2,000 people died when the 13-storey building collapsed: residents had been campaigning for months for badly-needed structure underground such as water works, *sewage and the* metro.

Sr Manuel Alonso, the presi*dential spokesman, said this* week that investigations had *started into* whether such buildings ha dmet safety standards and that "anybody found giulty of infractions will be in very big trouble."

Contingency plans against metropolitan disaster also proved to be woefully inadequate. The army's so-called DN3 plan for national disasters came nowhere near the requirements of the capital.

The DDF, Mexico City's Government, which is now co-ordinating the relief effort, has a Disaster Unit. It produced a report in May, warning that *geological data pointed to the* danger of major earthquakes in *the near future*. It also warned that the city did not have the capacity to deal with the possible destruction and that many lives would be lost as a result of improvised rescue attempts.

The report's author, according to a Government sourse, was accused of alarmism by his superiors. He was sacked in July, when the Government an*nounced major public spending* cuts.

The financial cost of the disas*ter is* still a matter of guesswork. Apart from the visible destruction, which may leave *up to half a million people* homeless, there is no clear picture of the damage to infra-

U.S. first lady Nancy Reagan on a tour of the devastated area earlier this week

Possible inflows from insurance cannot be estimated at *the moment. One local expert* believes there is $13bn re-*insured abroad covering liabili*ties here, in the neighbouring *state of* Mexico, and in Acapulco, which suffered minimal damage.

Clausen's chances of second term fade

By Stewart Fleming in Washington

THE Reagan Administration's decision that the World Bank should play a larger role in *helping* to tackle developing country debt problems has *sparked growing speculation* about who will be nominated to succeed Mr A. W. Clausen, the president of the World Bank, when his term of office ends next June.

The *most* common analysis is that, now that the U.S. is looking more sympathetically towards the World Bank, the chances of Mr Clausen being *re-appointed for a second* term are fading.

Whatever his virtues, Mr Clausen is not generally seen, either within or outside the bank, as an inspiring or imaginative leader with the stature internationally to transform the role of the bank. He has frequently, but not always fairly, been criticised for failing to involve the bank more aggressively *in the* debt crisis in the past three years.

For months there has been speculation in Washington that Mr Paul Volcker, the federal reserve Board chairman, will be chosen as successor. Yesterday morning the Washington Post *reported* that White House officials are toying with the possibility of asking Mr Volcker if he is interested in the post which is traditionally filled by an American.

Mr Volcker is known not to be bubbling over with enthusiasm *at the idea, and* the fact that the White House is *debating it may make him less* keen still.

Some White House officials bitterly regret President Reagan's decision to reappoint Mr Volcker *in* 1983 and would dearly like to get the Fed chairman out before his term expires in August 1987.

Mr Volcker, however, is said to be not so lacking *in friends* or influence in Washington that he could easily be forced out. Some officials, including Mr James Baker, are said to be fearful of the impact of a Volcker resignation on the financial markets ahead of next year's mid term elections.

Mexico calls for better response to debtor's needs

BY OUR UNITED NATIONS CORRESPONDENT

THE FOREIGN Minister of Mexico, Sr Bernardo Sepulveda, yesterday added his voice to the clamour of Latin American criticism against world financial institutions and the response of creditor countries *to the* region's debt burden.

Acknowledging that *debtor* nations must also confront their *problems through their own* internal efforts, he said: "Paradoxically, our adjustment measures have met with no equivalent counterpart in the most developed economies.

"Efforts to export are met with trade restrictions and the need for resources is responded to with limited and burdensome financing and with inadequate investment and transfer *of* economist resources."

Sr *Sepulveda, in an address to* the UN General Assembly on the *third day of its* annual debate on Government's policies, said that increased dialogue and multilateral negotiations were imperative if "economic co-operation" was to be turned from words into fact.

"The international monetary system must be revised without delay to recover the stability lost, to create a climate conducive to productive *investment* and to stimulate world trade," he said. *The equitable distribu*tion of sosts and benefits within a *world* economic system was a basic premise for the prosperity of all.

Latin America's foreign debt problem could not be definitively solved through a rescheduling *that granted only* temporary relief to the debtors and the *international* community, Sr Sepulveda said.

In the *field of international* trade, and particularly in the next *round of negotiations* that will begin in 1886, he said, "it *is essential* to obtain preferential treatment for the products of developing countries, so as to allow them to export and thereby reach a rate of development that will make it possible for them to meet their growing domestic demands and fulfill their commitments abroad."

David Gardner adds from Mexico City: President *Miguel* de la Madrid, on his eighth tour of devastated downtown areas of the city issued an appeal yesterday *to the international* financial community for "extraordinary understanding" of Mexico's financial problems and *reconstruction* needs after last week's two earthquakes.

Sprinkel says monetary policy remains uncertain

MONETARY POLICY "remains a source of uncertainty," Mr Beryl Sprinkel, U.S. presidential economic adviser, said in Washington yesterday, reports Reuter.

In testimony before the congressional Joint Economic Committee, Mr Sprinkel said that in the face of this uncertainty "it is critical that the Federal Reserve take caution to pursue a risk-minimising policy path."

Mr Sprinkel, reviewing the outlook for the U.S. economy for 1986, said that the Administration, however, did not dismiss out of hand the serious risk to inflation control *associated with the money growth* that had occurred so far this year.

*Mr Sprinkel noted that the mon*ey supply had grown at a compound annual rate of more than 13 per cent this year, but said recent de*clines in money velocity*, however, were "symptomatic of the uncer*tainty* about the interpretation of recent money growth."

*He said it was possible that the fi*nancial deregulation that had occurred in recent years had altered the fundamental relation between M1 balances and public spending habits.

"It it not possible at this point to conclude whether the unusual behaviour of velocity is transitory or *permanent*," Mr Sprinkel told the committee.

He defended the forecast by the Administration that the U.S. economy in 1986 would grow by 4 per cent.

"This projection has been labelled optimistic by some," he said, adding: "I do not share this view."

Shell write-off refinery leased

BY RICHARD JOHNS IN LONDON

PETROLEOS de Venezuela (*PDV*) is to lease for five years the Curacao oil refinery, with its capacity of 320,000 barrels a day (b/d), which was written off by Royal Dutch Shell in August.

The Venezuelan Government yesterday approved a letter of intent to the Netherlands Antilles proposing that the state oil corporation shold take over the facility for a period of three years at a rental of $11m annually.

It has taken the decision with some reluctance to save the Netherlands Antilles from another devastating economic blow following the *closure in March of Exxon's Aruba* refinery and possible political up*heavals in the islands*.

Apart from the loss of jobs and revenue resulting from a closure, it is estimated that dismantling the refinery would *cost as much as* $300m.

PDV plans to refine about 150,000 b/d of its crude in the facility which the Netherlands Antilles is purchasing from Shell, when it finally ends its operations there at the end of September, for one guilder. Maraven, one of PDV's affiliates, would be responsible for the refinery.

The leasing arrangement will raise *PDV's* refining capacity to 1.5m b/d; about twice its domestic requirements and current products exports.

Canute James adds from Kingston: A disagreement over prices has stalled shipments of 250,000 tonnes *of alumina being purchased by the* state-owned Venalum of Venezuela from the Jamaican Government.

The shipment is the remainder of a contract for 1m tonnes of alumina over seven years, and which was *started in 1978. Mr Hugh Hart*, Jamaica's Mining Minister, said *Venalum had not taken delivery of* any alumina since the start of this year.

Mr Hart said the price had been renegotiated "several times, always at the request of the Venezuelans." He said the problem began in 1981 when Venezuela found itself with more alumina than it could process.

He *said* a "time swap" *had* been arranged with commodity brokers Marc Rich and Phillips Brothers, who took the shipments destined for Venezuela, to deliver them when Venalum wanted.

Since 1984, Marc Rich has been *handling* all *alumina destined for* Venalum, the Minister explained.

UK fishing lure fails to tempt Argentina

BY REGINALD DALE IN NEW YORK

BRITAIN IS trying to lure Argentina into a joint international effort to conserve fisheries stocks in Falklands and South Atlantic waters, but so *far, Buenos Aires has refused* to bite.

The British initiative was revealed yesterday by Sir Geoffrey Howe, the Foreign Secretary, who told the United Nations that fisheries was one of the many areas in which the UK hoped to restore "more normal relations" with Argen*tina*.

Britain has enlisted the support of the Rome-based United Nations Food and Agricultural Organisation (FAO) for the *international* effort, which in Britain's view would ideally also include Spain and the East European countries fishing in the area.

Argentina would not need to recognise British sovereignty over the Falklands and its waters to participate in the plan, according to UK officials. A mechanism could be set up that would not prejudice Argentine claims, they say.

The UK regards the problem as urgent because of intensive factory fishing by the East European nations in the area. Argentina, however, has not yet responded to the suggestion.

WORLD TRADE NEWS

Iraq orders 24 Mirage fighters from France

BY *PAUL BETTS IN PARIS*

IRAQ HAS ordered 24 Mirage F-1 fighter jets and Exocet missiles from France to reinforce its airborne strike force in its prolonged war with Iran.

No financial details of the transaction were disclosed but Arab officials claimed that the order for the Mirage aircraft was part of a broader FFr 15bn (£1.25bn) financial deal.

This *sum would cover the cost* of the new jets and missiles as well as payment for arms already supplied by France to Iraq. France is a leading arms supplier to Iraq and has kept up military and economic aid for Baghdad throughout the Gulf War.

M Marcel Dassault, the 93-year-old founder of the Dassault aircraft group, confirmed the order last night.

M Benno-Claude Vallieres, the current chairman of Dassault-Breguet, said the group expected payment for the 24 F-1 jets in coming days. He claimed oil was not involved in the sale of the aircraft, but could not comment on the other *aspects of French* military equipment sales in Iraq.

M Vallieres said Dassault was pursuing negotiations with Iraq over the sale of its latest Mirage 2000 jet fighter. But eventual sales of Dassault's Alpha jet training aircraft to Iraq appear at this stage premature.

M Dassault held yesterday his first press conference in nearly a decade to answer questions on a wide range of subjects. He also confirmed Dassault's intentions to go ahead with its new aircraft fighter project, Rafale, which recently lost out in its bid to become the new European fighter aircraft.

Under the agreement in principle reached between France and Iraq in the past few days, delivery of the first batch of the new aircraft made by the French state-controlled Dassault-Breguet group is due to begin during the next 18 months.

The latest agreement comes a few weeks after Iraq returned to France five Super-Etendard fighter *bombers which Paris had* leased to Baghdad under a *controversial two-year accord*.

Already last April, M Charles Hernu, the former French Defence Minister who resigned because of the Greenpeace affair last week, had confirmed that Paris was discussing the sale of additional fighter aircraft to Iraq.

Baghdad has ordered substantial numbers of Mirage F-1 *jets in the past with a first* contract for 60 aircraft in 1980 followed by a second contract for 29 aircraft in 1982 before the latest order for 24 jets.

The Mirage F-1 has become Baghdad's main air force strike weapon against Iran during the prolonged war between the two *oil-producing* countries.

New industrial nations 'should open markets'

BY OUR TRADE EDITOR

DEVELOPING countries that have become industrialised should start opening their markets in return for access to developed countries, Mr John Butcher, UK industry Minister, said yesterday.

He suggested this should be a major theme of the negotiations expected to begin in the General Agreement on Tariffs and Trade (Gatt) next year.

"We recognise that developing countries need access to industrial markets to export, in order to pay off their debts and continue to grow," Mr Butcher told the Overseas Club in Hamburg.

"But we cannot be expected to liberalise access to our most sensitive sectors, where traditional industries are facing the painful consequences of decline, while our exporters continue to face barriers overseas."

Mr Butcher particularly criticised Japan, which he said was "a leading advocate of free trade but falls short of practising what it preaches."

Other Asian countries at an advanced stage of industrialisation should also be required to reduce import tariffs on consumer goods if they are already large exporters of similar goods.

China set to sign $500m gas field deal

CHINA will sign a $500m (£357m) deal with two U.S. companies to develop a natural gas field near Hainan Island, the biggest single foreign investment in the country under *Peking's 7-year-old Open Door* policy, industry officials said yesterday, *AP-DJ reports from* Peking.

Atlantic Richfield Co., which discovered the field in 1983, and Santa Fe Minerals (Asia), a subsidiary of the Sante Fe International Corp, will sign the contract this week with the state-run China National Offshore Oil Corp, the officials said.

The Chinese would put up $255m, Arco $170m, and Santa Fe $75m.

The field is expected to go into production in four years and reach a maximum daily output of 9m cubic metres a day by 1992.

Alusuisse group in link-up with Pechiney

THE SWISS-owned Alusuisse group is to go into a joint venture with France's Pechiney to manufacture aluminium slugs—semi-products used in the making of impact-extruded aerosol cans. John Wicks reports from Zurich.

According to the Zurich *parent company*, Swiss Aluminium, this foresees modernisation and expansion of the Alusuisse France slug plant at Beaurepaire in the Department of Isère. A definitive agreement on the project is expected to be signed by the end of the year.

Saab-Fairchild order

SAAB-SCANIA said yesterday that Bar Harbor Airlines, a Bangor, Maine-based commuter airline, has ordered four SF-340 propeller-driven passenger aircraft, which the Swedish company jointly produces with Fairchild Industries of the U.S., AP-DJ reports from Stockholm.

Terms were not disclosed, but the commuter aircraft are known to cost about $6m (£4.2m) each, bringing the total value of the order to an estimated $24m.

Saab has delivered 30 of the aircraft since production started last year, while it has firm orders for 79.

Steven B. Butler in Seoul reports on an optimistic industry despite the recession

South Korea shipbuilders see rosy horizon

SOUTH KOREA'S shipyards are being hit hard by the recession in the industry. Their plight is reflected in an increasing number of lay offs and declining orders.

However, despite the fact that business is bad and likely to become worse, South Koreans are broadly optimistic. The apparent contradiction stems from the fact that they firmly believe they can survive the deep recession *and emerge as* possibly the most competitive *shipbuilder in the world*.

They point out that their shipbuilding industry will be leaner and more efficient and so better able to take advantage of the recovery in the market. But, for the present, the picture is looking gloomy.

In August, South Korea's yards did not receive a single new order. New orders have fallen by more than 50 per cent this year, and the backlog of ships to be built has shrunk by 28 per cent from a year ago. The yards had laid off 7,271 workers by the end of August, more than 10 per cent of the workforce, and more layoffs are planned.

The yards are still busy, building ships at or below cost, but *industry executives admit* they do not know for certain what the yards will be doing in 1987 and the first half of 1988, when they have no ships to deliver.

None of the shipyards will earn a significant profit this year, and some will lose millions of dollars.

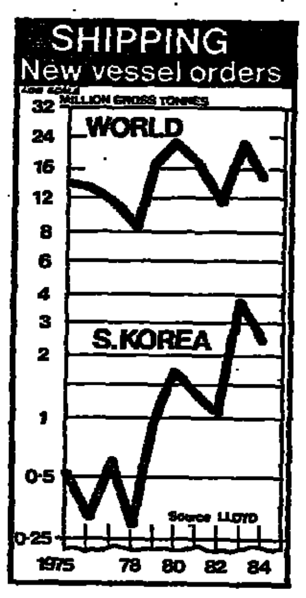
Yet Mr Chung Tae-Seung, director of shipbuilding at the *Ministry of Trade and Industry*, says shipbuilding in South *Korea has a "bright future."*

Last year, South Korea took *15.5 per cent of the world's* new ship orders, putting it at a distant second place to Japan, which captured 57.6 per cent of the market. South Koreans say they expect to maintain their market share at between 15 and 20 per cent.

The effort to survive until the market recovers will be painful, and the rapid drop in employment is politically sensitive in South Korea.

Daewoo Shipbuilding, the newest of the yards, is undergoing the most radical pruning operation of the big four yards, which include Hyundai Heavy Industries, Korea Shipbuilding and Engineering, and Samsung Heavy Industry.

Daewoo faced a severe cash *shortage at the end of* 1984, which was eased *when the* Korea Development Bank converted Won 50bn (£40.7m) in outstanding loans to equity, raising the bank's share in the company to 48 per cent.



A new company president, Mr Y. S. Yoon, has taken drastic steps to raise productivity. Employment at the yard has dropped from 28,190 last December to 22,428 at the end of August. By the end of the year, jobs in the yard will be reduced to below 20,000.

Daewoo's yard is still working close to capacity, and operating 12 hours a day. But the layoffs, says Mr Yoon, have not come fast enough to keep the yard operating in the black this year. He expects the company to return to profitability next year, *despite the deperssed price of* the ships it will build.

Mr Yoon says Daewoo's productivity problems stemmed *from management*, which was insufficiently co-ordinated to handle *efficiently the many* thousands of tasks that go into building a ship. When ship prices were high, the waste could be absorbed, but no longer. He has now set up a number of training programmes.

For Daewoo, and South Korea's other shipbuilders, however, 1987 will provide the real test of their staying power. Current work at most of the yards will run out at the end *of next year*.

"I don't know if we will have seven *hours (of work a day) or* 10 hours, or nothing, but we have counter-measures," says Mr Yoon. "I have made very conservative plans and that is the only way to survive."

The principal strategy for the industry, says Mr Chung of the trade ministry, is to diversify into non-vessel construction, including semi-submersible rigs, steel structures, offshore platforms and floating plants.

Daewoo's yard, designed by A. & P. Appledore of the UK, boasts the largest dry dock in the world. Its unusual shape gives the yard versatility to accommodate oddly-shaped structures to diversify away from shipbuilding.

The versatility has not paid off so far since only about 13 *per cent of Daewoo's work is* in non-vessel construction. Mr Yoon says *the company* hopes to boost that to 50 per cent, which is an *industry-wide* target.

If they can survive *the slump*, Mr Chung believes South Korean shipbuilders will be able to match the Japanese in productivity. According to the Trade Ministry, Japanese workers are three times more productive at present, but productivity in South Korean *yards is expected to double by* 1988.

NTT, IBM Japan agree software system venture

BY CARLA RAPOPORT IN TOKYO

NIPPON TELEGRAPH AND TELEPHONE (NTT) and IBM Japan have agreed to set up a *joint-venture company in Tokyo* to market telecommunication and *computer software systems*.

The new company, to be incorporated by the end of this year, represents the first joint venture between NTT, the telecommunications giant, and a foreign-owned company.

NTT was nominally privatised last April, in what was the first stage of moving NTT from the public to the private sector.

The new company's president will be from NTT and its vice-president from IBM. The company will market mainly IBM products, but it will be free to market other companies' products if it should decide to do so, according to IBM Japan officials yesterday.

Initial capitalisation of the new group will be "several hundred million yen" according to IBM *Japan*, but no sales forecasts were made yesterday. *The new company will* market its goods in Japan only.

The agreement between the two companies was announced by Mr Hasashi Shinto, president of NTT, and Mr Takeo Shiina, president of IBM Japan, yester*day*.

Officials said the new group's *telecommunications services* would include value-added networks (VANs) as well as other information and communication products.

Most of the employees for the new company will come from NTT, officials said yesterday. The initial staff will be less than 100.

The two companies said yesterday that they had established that their telecommunications systems could be connected. Each company is now studying a variety of connection possibilities.

"Both companies *have areas* of special expertise in VANs and networking. These special areas will contribute to the new company *and help it meet the* growing needs and applications *in this sector*," an *IBM Japan* official said yesterday.

Italians to join U.S. companies in drug project

By Alan Friedman in Milan

FARMITALIA Carlo Erba, one of Italy's largest pharmaceutical companies and a susbidiary of the Montedison group, is to collaborate with Cytogen Corporation of Princeton, New Jer*sey, a private biotechnology* research company, on the de*velopment of anti-tumour* drugs. The drugs will be manufactured and *marketed* exclusively by the Italian company.

Montedison said yesterday *that the collaboration* would be technical and commercial. *Farmitalia is known for a* variety of anti-cancer drugs. *Cytogen specialises in research* on drugs which help to direct anti-cancer drugs to diseased cells.

● A small Sicilian maker of kitchen furniture, Juculano di Misilmeri of Palermo, has reached agreement with Chinese authorities to enter a joint venture to build a furniture factory in Nanning, capital of Guang Xi province.

Japanese strengthen HK tunnel bidding team

BY DAVID DODWELL IN HONG KONG

COMPETITION stiffened yesterday between bidders for the HK$3bn (£280m) contract to build Hong Kong's second cross-harbour tunnel when Kumagai Gumi, the Japanese group leading one of the main consortia, revealed a major strengthening of its bidding team.

The *once wholly-Japanese* consortium has been expanded to include Paul Y, a *Hong Kong* group with mainland Chinese backing that was until *now* making a separate bid for the contract, and Lilley Construction of the UK.

Financial backing is to be provided by the China International Trust and Investment Corporation (Citic), a powerful mainland financial group with a credit rating second only to the Bank of China. Kumagai's financial advisers are Shearson Lehman Brothers of the U.S.

The consortium has appointed three consultants to work with it on the project. These include Freeman Fox, the group that designed Hong Kong's mass transit railway, and has recently been appointed to advise the British Government on *bids for* the design and operation of the Anglo-French Channel *tunnel*.

The contract to build Hong Kong's Eastern Harbour tunnel—which will carry both road and rail traffic—is *one of the* biggest civil engineering contracts being tendered *in Asia*.

The new cross-harbour tunnel will run *from* Quarry Bay on Hong Kong Island to Cha Kwo Ling in *Kwun* Tong on the mainland. The Government is now examining *final tenders*, and plans to choose the successful consortium by *the* end of this year. The tunnel is due to be ready for use in 1989.

Three bidders are understood to be *on the* Government's "short list" for the contract. These *are Gammon* of Hong Kong, which is bidding with Nishimatsu and Mitsubishi of Japan and GEC of the UK; Kumagai Gumi and its new consortium; and the Cross-Harbour Tunnel Company.

An advertisement for the BBC, written by some of its sternest critics.

"At first glance, Tender is the Night is an intelligently written and sumptuously packaged tale of doomed lives that is bound to draw the crowds.

Mary Steenburgen is so far unfaultable as the delicate, tremulous Nicole. Location shooting in the cloudy Swiss mountains is breathtaking. Period detail looks immaculate. You can see where the money went.

Unlike Brideshead and Jewel, both rooted in British character, Tender has the glossy look of a product designed for global merchandising. As such it is an expert piece of work, certain to keep millions at home on Monday nights."

DAILY MAIL

"Dennis Potter has begun at the beginning so Tender is the Night now begins sweetly and like a fairy story in which a semi-crazy young girl is kissed back to sanity by a young prince of a psychiatrist.

It looks and sounds bewitching too. Mary Steenburgen's dresses look as if she has walked through cobwebs and clouds of fireflies. The light catches her cheekbones and eyeballs and teeth and glitters off them. Her face flutters like a little girl. On the white icing of a Swiss hotel, they look like a bride and groom on a sugar cake."

GUARDIAN

"And for a £6 million story of love between rich Americans, you'd expect a car chase, a collapsing skyscraper and a scheming tycoon.

Instead Tender is the Night has bright mountain light, ragtime music, a child-woman in a white lace dress and a feeling of risk and passion which is both tender and tough. Perfectly scripted, filmed and acted – writer F. Scott Fitzgerald and his own mad wife Zelda must be smiling in their graves."

THE MIRROR

"It is too early for a final assessment, but on this showing, the BBC drama department have come up with something as compelling and distinctive as their own recent Hard Times, or Granada's Jewel in the Crown.

The novel's awkward narrative pattern is shaped and buttressed by the disciplines of television. The dialogue, spare, even abrupt, assumes a new coherence when matched with Ken Westbury's lyrical camera work and Robert Knight's carefully paced direction.

Already the drama has the stamp, the tone, and texture of a television classic."

DAILY EXPRESS

"Performances are totally in character, not a word of the script seems out of place, the sense of period is confident, the locations beguiling and the dramatic drive relentless.

For television purposes, Dennis Potter has triumphantly turned Scott Fitzgerald's romantic novel of the ragtime era inside out and rearranged events in their chronological order."

DAILY TELEGRAPH

"This opening episode was full of delicacy and beauty, with images subtly used and the majesty of the Swiss landscape always in the background. The sense of place and period was precise but never overpowering, and the crisp phrases with which Fitzgerald crystallized his characters were tucked neatly into the dialogue.

If the lighter aspects of the tragedy are handled with the same confidence as this blighted beginning Tender is the Night will be a memorable adaptation."

THE TIMES

Episode One of 'Tender is the Night' will be shown again tonight at 10.00pm on BBC2.

A BBC TV PRODUCTION IN ASSOCIATION WITH SHOWTIME ENTERTAINMENT AND THE SEVEN NETWORK AUSTRALIA BY ARRANGEMENT WITH TWENTIETH CENTURY-FOX.

The BBC

The finest broadcasting service in the world.

Services sector 'losing world market share'

BY MICHAEL PROWSE

BRITAIN's trade performance in services is no better than its performance in manufacturing, according to an article in the September issue of the Bank of England Quarterly Bulletin.

The UK has been losing its share of world trade in services at roughly *the same rate as it has lost markets* in manufactured goods.

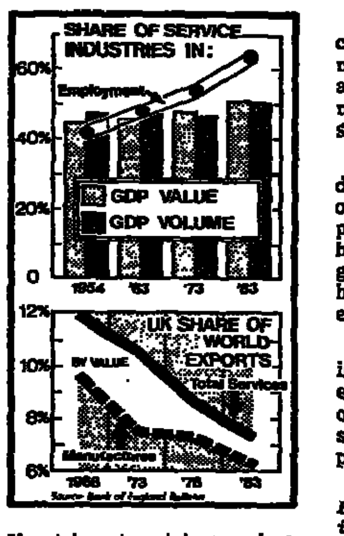
Between 1968 and 1983, Britain's share of world trade in manufactures fell from 9.6 per cent to 6.2 per cent. Over the same period, its share of trade in services fell even more sharply – from 11.9 per cent to 7.3 per cent.

Much of the decline is explained by Britain's dismal performance in shipping; the UK's share of the world shipping fleet fell from 11.3 per cent in 1968 to 3.8 per cent in 1984.

In 1974, "sea transport" exports accounted for 12 per cent of *all UK* exports and 41 per cent of service exports. By 1984, shipping represented only 4 per cent of all exports and only 17 per cent of service exports.

The overall share of services in UK exports fell from 29 per cent in 1974 to 23 per cent in 1984. The decline of shipping was not fully offset by the stability or expansion of other service sectors such as air transport, tourism and "producer" services (banking, insurance, consultancy, telecommunications and so forth).

The Bank article finds that the UK's performance in financial services – the preserve of the City of London – has been unimpressive. In real terms, financial services exports have grown by only about 0.1 per cent a year over the last decade.



If net investment income is excluded, some sectors such as insurance and commodity trading have been in absolute decline. Overall, financial services accounted for only 3.1 per cent of UK exports in 1984 – the same proportion as in 1974.

The article finds "somewhat surprisingly" that the UK's share of world trade in financial services has declined as rapidly as its share of trade in manufacturing.

Britain's traditional surplus in invisibles "should not be taken to be an intrinsic feature of the UK economy," the Bank says.

"Trade in services is subject to the same influences as trade in goods. Thus, the rise in sterling's real exchange rate probably accounts for much of the deterioration in the balance of trade in services in volume terms between 1978 and 1982, a period when the surplus in value terms continued to rise."

The article also examines the changing role of services in the domestic economy. It points out that if adjustment for price changes is made, the relative growth of the service sector has been slow.

In 1954, for example, service industries accounted for 47.9 per cent of the volume of gross domestic product. By 1984, the proportion had risen only to 50.3 per cent. The growth of services in volume terms has been similarly slow in other big economies.

However, services have been an *increasingly important source of* employment. In 1954, 42.5 per cent of the workforce was employed in service industries; by 1984 the proportion was 63.8 per cent.

Services in the UK economy. Bank of England Quarterly Bulletin September 1985. Issued by the Economics Division, Bank of England, London EC2R 8AH.

● Banks, securities firms, fund *management groups* and other financial companies in the City of London believe that overseas financial institutions will *win* market share in the de-regulated British securities market, **John Moore** writes.

According to a survey, prepared by Valin Pollen, the financial public relations firm, British financial groups also believe that there will be an increase in trading in securities outside the London Stock Exchange.

Seven out of eight respondents believe that staff will be tempted away from the firms in which they now work. Half the sample agrees strongly that the new City conglomerates will have trouble holding onto their employees.

Swedish group seeks oil buyer

By Dominic Lawson

THE SWEDISH energy company, Oljekonsumenterna AB is attempting to sell its 1 per cent stake in BP's giant Forties field. The company spent about £28m on buying the interest from BP in 1983.

The Department of Energy stated last year that it would block the sale of North Sea licences by companies which had not contributed to the development of the area.

To get round this embargo, the Swedish parent has also held *discussions* with at least two UK oil *companies with a view to selling its* North Sea oil subsidiary, OK *Exploration*.

OK Exploration holds the Forties *stake together with three exploration* licences, two of them awarded *this year in the 9th round of UK offshore* licences.

OK Exploration could be worth up to £30m. It is belived that the UK companies Premier Consolidated Oilfields and Clyde Petroleum have been in takeover discussions about OK with the Swedish parent company, but that these have not resulted in a deal.

The Forties stake would be highly desirable to North Sea explorers short of production. The interest would provide cash flow, while future exploration costs can be funded by the tax payable on the Forties production.

● North Sea oil prices rose sharply, *yesterday in sometimes frenzied* trading as a result of the announcement of a fall in U.S. crude oil stocks, and delays in crude oil shipments from Iran's Kharg Island, after bombing raids by the Iraqi air force.

Airline harmonisation in Europe seen as threat by BA chief

BY LYNTON McLAIN

MR COLIN MARSHALL, chief executive of British Airways, yesterday attacked ideas for harmonisation of working conditions among European airlines. He said it would "threaten rather than nourish the mutual needs and interests of airlines."

Harmonisation would restrict the freedom of choice for airlines and customers, he *told* a conference of the British Air Lines Pilots' Association (Balpa) in London.

Mr Marshall said: "Harmonisation would mean the removal of choice by standardisation on what can only be an arbitrary concept. It would mean the removal of freedom to manage and negotiate freely. It would mean ignoring local circumstances, national practices and cultures."

He added: "We must not so tie our hands with constraints in Europe on this illusory vehicle called harmonisation that we cut our international throats."

Mr Marshall's comments came as Mr Michael Spicer, the Parliamentary Under-Secretary at the Department of Transport, was *embarking on a world tour to encourage* countries to liberalise their air *agreements with the UK. His talks* include meetings with his opposite *number in Paris.*

"I would suggest that there is only one harmonisation we should seek and that is for equality of opportunity," Mr Marshall said. "It puts us all on an equal basis to compete as we best think fit."

The main impediment in Europe, he said, was the wide degree of *regulatory control. "But I am not arguing* for airline deregulation on the U.S. pattern; *I do not believe that is* in anyone's best interests. A sensible level of some continuing control is necessary to contain dumping of capacity at low prices. But such a safety net needs to be widely spread to enable individual freedom of action without unnecessary hindrance."

Lord King, chairman of British Airways, expressed caution about future growth prospects for air travel. "Air travel markets have ceased to grow at their past spectacular *rates*. We in British Airways are of the opinion that double-digit growth *for the industry is* a thing of the past," he told the conference.

He added: "A growth in world air traffic of no more than 4 to 6 per cent a year would still double the size of the industry by the end of the century.

"European air travel markets especially are likely to be towards the *bottom end of this growth range.* Airline markets in more developed parts of the world *have reached or* are reaching maturity."

More cuts in car part sector 'inevitable'

By John Griffiths

THE UK market *for car* replacement parts and accessories is now worth £2.7bn a year. *It is set for* further growth, but this will be insufficient to sustain the present *300,000* employment level within the industry, according to a study by Mintel, the market research group.

The study said *that* further rationalisation, within the weak UK manufacturing sector in particular, was inevitable.

Mintel identified replacement parts as the market's largest single sector, accounting for sales of £1.8bn a year. Of these some 50 per cent were direct retail sales to mo*torists*, who would spend £400m on tyres and £225m on replacement ex*hausts this* year.

The fastest growing sector, it *said*, was that *for accessories*, *tools* and in-car entertainment. It was worth £525m a year

Market growth would be helped by the increasing car population, longer car replacement cycles (cars use more replacement parts as they grow older) and more maintenance by *owners*. It estimated that 10m *motorists* carried out all or part of their vehicle maintenance.

It identified another *substantial* sector as being engine oils, worth £160m a year, and paints and polish, worth £119m.

The Mintel report is the latest of *several warning that* the *automotive* aftermarket, though large, is ripe *for restructuring*.

A recent study from analysts Frost and Sullivan said that only the most flexible, alert and internationally-oriented independent component suppliers would survive the next 10 to 15 years.

OCLI plans £10m Scottish factory

BY TONY JACKSON

OCLI, the UK *subsidiary* of Optical Coatings Laboratory of California, *is to invest* £10m in a *new factory* making optical coatings at Dun*fermline in Scotland. The project* will double the workforce to 160 over five years.

The aim is to make OCLI Europe's largest manufacturer of optical coatings. Sales by the UK company are about £3.1m, split equally between classified defence work for the UK and European governments and commercial production for computer and scientific equipment manufacturers.

The project will receive no financial backing from the U.S. parent, which in recent months has suffered the loss or suspension of major development programmes for *Burroughs, General Electric*, 3M and the U.S. Government. U.S. sales are expected to be substantially lower this year than last, and 250 U.S. employees – *20 per cent of the* total – have been laid off this year.

OCLI Europe, by contrast, expects it pre-tax profits in the current year *to* double to about £½m. Finance for the project will come from the Scottish Development Agency, the European Coal and Steel Community and commercial banks. A *flotation* on the London unlisted securities market is seen as a more distant possibility, though the U.S. parent would retain a majority holding.

Optical *Coating* has also withdrawn funds for its marketing effort in Europe. This is to lead to the closure of OCLI's sales office at High Wycombe, Buckinghamshire, with the *loss of five jobs*. All OCLI activities will now be located at *Dunfermline*.

The new factory of 57,000 sq ft will replace two existing *factories* with a total area of 21,000 sq ft on the same *Hillend industrial* estate. Due for completion in February 1987, the building will be used for research and development into areas of thin film technology at present covered neither by OCLI nor the U.S. parent.

Right-wing group urges return of coal to private sector

BY MAURICE SAMUELSON

A PROGRAMME for the progressive privatisation of Britain's coal industry has been submitted to the Government by the Centre for Poli*cy Studies*, the *right-wing* "think tank" established in the early 1970s.

The report, published *today*, *is* expected to arouse considerable support among Conservative *MPs*. Evidence of this at the Tory Party conference next month will vindicate miners' leaders' worst fears about the eventual restoration of their industry to the private sector. The industry was taken over 40 years ago by the first post-war Labour Government. It was seen then *as the crown jewel of nationalisation.*

The report is called "Put pits into profit – an alternative plan for coal," and also urges the expansion of the existing private deep and open-cast *mining* sector and their removal from the statutory control of the National Coal Board (NCB).

Its author is Mr Keith Boyfield, a research fellow at the centre, whose father was a senior official of the NCB. While regarding contraction of industry's workforce as inevitable, Mr Boyfield argues that healthy, competitive mining companies would eventually offer better em*ployment prospects* than an *unreformed*, inflexible state-owned *industry*.

Four targets are set for the Government:

● An end to subsidy;

● Establishment of a variety of sources of supply;

● *Creation of a competitive* free market in production and distribution of coal;

● Restructuring the industry to bring it in line with market conditions.

Short-term measures would include removing constraints on private operators; widening the door to imported coal; selling off NCB subsidiaries and the board's profitable open-cast division; permitting private deep-mined companies to employ more than 30 men underground; *forming the NCB's present* administrative areas into separate *companies; and closure of loss-making* pits, with the option for subsidised buyouts by their workforce.

In the longer term, the Government is advised to consider vesting the rights to Britain's coal, together with all other *minerals*, in a new national agency. It would be authorised to sell long leases to mining companies, collect royalties and charge rents on the lines now used for allocating North Sea oil licences, motorway service station franchises and *commercial* television station licences.

Phased privatisation *of the mines* could begin with the profitable Not*tinghamshire coalfield, whose existing* employees would be offered *shares* at *preferential rates*. Elsewhere, smaller groups of mines, not necessarily close to each other, could be sold.

Citing estimates that some 60,000 miners, only about a third of the *workforce*, are *at present* employed in profitable pits, the report says *that if there was a 10 per cent gain* in productivity, 92,000 miners would be working in collieries consistently making profits.

Denationalisation would also increase coal's share of the energy market and improve prospects of employment.

As a first stage, Mr Boyfield says the board should put up for sale NCB (Products) which manufac*tures coal briquettes and other* secondary products (and which will *shortly* be run by Mr James Cowan, the board's deputy chairman, who is about to retire from the NCB main board.)

It should also consider privatising subsidiaries concerned with fuel distribution, computer services, engineering and land development.

The prime candidate for speedy privatisation *would be the contract*ed out open-cast operations which in the 1983-84 financial year showed a profit of £211m.

The report is critical of successive long-range investment plans produced by the board.

Put pits into profit – an alternative plan for coal, by Keith Boyfield, Policy Study No 73; Centre for Policy Studies; 8, Wilfred St. London SW1E 6PL; £4.20.

UK NEWS

Exports decline after period of steady growth

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

A PERIOD of steady improvement in Britain's exporting performance may be coming to an end, according to official figures published yesterday.

They show that in the three months to August, exports other than oil were running at 2 per cent below the volume achieved in the previous three months. That deterioration followed a healthy expansion that pushed non-oil exports in the spring to a level 10 per cent above the level in the early part of 1984.

The poorer export performance follows warnings from the Confederation of British Industry (CBI) that high interest rates and the appreciation of the pound since February would worsen the prospects for exports.

The most recent CBI survey of manufacturing industry has confirmed that export order books have become less full than earlier in the year.

Yesterday's figures, from the Department of Trade and Industry, showed that total exports in the latest three months were about 8 per cent lower than in the previous three-month period. However, much of that fall was represented by a reduction in oil exports, which have been broadly matched by lower imports of oil.

The fall in exports of manufactured goods in the period was £500m, representing 3½ per cent in value terms.

Yesterday's figures showed that in August total exports of goods were £6.04bn, some £200m less than imports of goods. An estimated surplus of £400m on invisible trade pushed the current account of the balance of payments into a surplus of £200m for the month.

That brings the cumulative surplus in the first eight months of the year to £1.2bn. The Treasury has predicted a surplus of £3bn for the year as a whole.

Since June, however, oil exports have been running at just under £900m a month, compared with about £1.3bn a month in the earlier part of the year. That has been largely offset by the reduction in oil imports, reflecting the return to coal as the main fuel in power stations after the end of the miners' strike last March.

The more detailed figures show that car exports in June to August were 11 per cent lower than in the previous three-month period, although food and tobacco exports were 5 per cent higher.

In contrast, car imports rose by 11 per cent between the two periods and imports of all manufactured goods were up by 3½ per cent.

Exports to the U.S. fell sharply by 12 per cent in sterling terms between the two three-month periods, with exports to the European Community down 6½ per cent. Exports to developing countries fell by 7½ per cent.

BALANCE OF PAYMENTS
(£bn, seasonally adjusted)

	Current balance	Visible balance (oil)	Visible balance (non-oil)	Invisible balance
1983	3.17	6.98	− 7.81	4.00
1984	0.94	7.14	−11.24	5.04
1984 Q2	−0.11	1.54	− 2.71	1.06
Q3	−0.36	1.80	− 3.42	1.25
Q4	0.42	1.47	− 2.78	1.74
1985 Q1	−0.53	1.86	− 3.14	0.75
Q2	1.18	2.37	− 2.59	1.41
Three months to:				
Aug 1984	0.30	1.88	− 2.77	1.19
May 1985	0.23	1.79	− 2.77	1.21
Aug 1985	0.80	2.20	− 2.67	1.27

Recent figures for invisibles are estimates subject to revision

TAXPAYERS GETTING POOR VALUE FOR MONEY, SAYS MPS' COMMITTEE

Profit 'too easy' at warship yards

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

BRITAIN'S WARSHIP builders have found it too easy to make profits in the past few years, with the result that the taxpayer has had poor value for money, an all-party House of Commons Committee has concluded.

The conclusion comes in a special report from the influential Public Accounts Committee (PAC) which is critical both of the Ministry of Defence (MoD) the sole customer for British-built warships, and of British Shipbuilders, the state-owned company with a monopoly of warship building which is due to be privatised next spring.

The PAC, parliament's watchdog on Government spending says that the warship yards of British Shipbuilders (BS) have a record of low productivity. They have also failed to sell a major warship abroad for more than 12 years. The committee adds, however, that the Government's decision to privatise the warship building yards "will not necessarily lead to improved productivity." The PAC criticises the MoD for failing to press home its strong bargaining position in relation to the yards and warns that the ministry must remain vigilant even after privatisation has taken place.

The defence ministry spends more than £500m a year on the procurement of warships, principally from the five main BS yards of Vickers Shipbuilding and Engineering (VSEL), Yarrow Shipbuilders, Cammell Laird, Vosper Thorneycroft and Swan Hunter.

MoD business as a proportion of the total turnover of the five yards increased from 57 per cent in 1979 to 72 per cent in 1983. Their order books are at present estimated to be worth £2.7bn, with more than 70 per cent of the contracts being placed on a non-competitive basis.

The PAC notes that from 1980-81 to 1983-84 BS reported warship building profits of £185m. In the same period the remainder of BS made losses of £525m.

Submarine building – including submarines for the Trident nuclear deterrent – is a monopoly of VSEL, a position the PAC believes the Ministry has allowed the company to exploit.

The committee says that there have been recent changes of management at VSEL and steps taken to correct particularly poor productivity. However, it says it is "convinced there is scope for further substantial savings in the proposed £2bn programme for nuclear submarines, the contracts for which will continue to be let on a non-competitive basis."

Speaking of all five yards, the PAC says that with an assured customer and many non-competitive contracts, BS has had little incentive to modernise plant and working practices. "It is clear from all the evidence we have seen on productivity, estimating and outturn on contracts that the warship builders have found it all too easy to make their profits in the past and that the taxpayer has not received value for money."

For the future, they note with approval that the MoD is considering appointing one industrial contractor to be responsible for the procurement of a complete warship, including all equipment and weapons systems.

35th report from the PAC 1984-85. Design and Procurement of Warships £4.40; HMSO.

Peat Marwick and KMG drop merger talks

THE ACCOUNTANCY firms Peat Marwick Mitchell and KMG have abandoned their merger talks at the conclusion of two days of unsuccessful negotiations on Tuesday night, Clive Wolman writes.

Negotiations were held between 12 partners of the two firms from several countries in Amsterdam, where the head office of KMG is based. If it had gone ahead, the merger would have created the world's largest accountancy firm with annual revenue of about $2.5bn.

Partners of the two firms said the negotiations had highlighted the difficulties of bringing together two firms controlled by several thousand partners with divergent interests and concerns around the world.

Last year, merger talks between accountants Price Waterhouse and Deloitte, Haskins & Sells, which would also have produced the largest international accountancy firm, were aborted for similar reasons.

Mr Jim Butler, senior partner of Peat Marwick Mitchell in the UK where it is the second largest accounting firm, said that the talks broke down over a variety of general issues before they reached any discussion on the details of how the merger would be effected. "We are not on the hunt for merger partners," he said. "But if one comes up which would be of strategic benefit to us, we will consider it."

Union move to avert crisis over Liverpool

BY JOHN LLOYD AND NICK BUNKER

LEADERS of the six unions with members employed by Liverpool city council are to meet in London today to attempt to defuse the potentially damaging political crisis ahead of the Labour Party's annual conference next week.

Their move follows a day of action in Liverpool yesterday organised by shop stewards (local union officials) after the failure of their call for an indefinite strike by local authority workers in support of the council's budget battle with the Government.

Most municipal services were halted, and all but 10 of the city's 300 schools closed. Several thousand demonstrators marched through the city.

The Labour-controlled council has set a budget of £265m for the year but has illegally set a rate (property tax) too low to cover this expenditure, and as a result the city faces bankruptcy. The Government has rejected demands that it should meet the deficit.

The national union leaders will today meet their senior regional officials who have been dealing with the strike.

The initiative follows a brief meeting yesterday between the six general secretaries – Mr Ron Todd of the transport workers, Mr David Basnett of the general and municipal workers, Mr Rodney Bickerstaffe of the public employees, Mr John Daly of the local government workers, Mr Eric Hammond of the electricians and Mr Albert Williams of the building workers.

The initiative, launched by Mr Basnett, is likely to result in a request by the union leaders to see Mr Kenneth Baker, the Environment Secretary. They will also seek a meeting with leaders of the Liverpool council and with Dr John Cunningham, Labour's environment spokesman.

All the union leaders are concerned that the issue may dominate the Labour Party conference.

Mr Derek Hatton, a supporter of Militant, the far-left group, is deputy leader of the council and has already signalled that he wants full backing from the conference.

Liverpool's Labour leaders, still determined to continue their spending confrontation with the Government, are planning to return to their original tactic of seeking to dismiss temporarily all 30,000 council employees in order to save cash.

They aim after a council meeting tomorrow to send out 90-day redundancy notices but to promise reinstatement after April 1, the start of the next financial year.

The move will have the backing of the General and Municipal Workers, the council's largest union, but it will face stiff opposition from Nalgo, the second largest, and from the teaching unions.

Lawson and CBI in clash over economy

BY JOHN LLOYD, INDUSTRIAL EDITOR

TENSION between the Government on the one hand, and business and the unions on the other, flared yesterday at a meeting of the tripartite National Economic Development Council.

Mr Nigel Lawson, the Chancellor of the Exchequer, tried to stop Sir Terence Beckett, director general of the Confederation of British Industry (CBI), from making a highly critical statement calling on the Government to "untie our shoe-laces" and allow British business to compete on equal terms with those of other countries.

Sir Terence, momentarily halted by the Chancellor's protest, was given strong support from Mr Norman Willis, general secretary of the Trades Union Congress (TUC). He sharply reminded Mr Lawson that issues like exchange and interest rates were of immediate importance to workers and to the creation of jobs.

Sir Terence was then allowed to finish his statement. But the Chancellor, who chairs the council, did not allow any debate on broad economic issues – much to the discontent of Sir Terence and Mr Willis.

Both felt that these were of pressing importance and that, under the guidelines for the council agreed by the three sides earlier this year, any issue of importance could come up when appropriate.

The conflict, described by one participant as "taut", followed a report by Mr Lawson of the meeting of the Group of Five economic ministers in Washington at the weekend.

The Chancellor told the Council that the subsequent movements in the pound – rising against the dollar and falling against the D-Mark – were in line with the agreement reached. But he would give no indication of further expected exchange rate movements or hope of a fall in interest rates.

Sir Terence then made his plea that, "if America is passing the baton of world growth back to the other leading industrial nations including Britain, we cannot afford to have our shoe-laces tied together by uncompetitive interest rates and an uncompetitive rate of the pound against the mark."

Sir Terence said that the CBI supported the agreement to avoid protection reached by the finance ministers at the weekend.

High earners would pay more tax under Labour

THE NEXT Labour government will abolish the ceiling on employees' national insurance contributions as part of a tax reform package aimed at increasing the tax burden on higher income earners. It may also include income from investments in the calculation of national insurance contributions.

Mr Roy Hattersley, shadow Chancellor of the Exchequer last night included these points as he detailed some of the measures by which Labour intends to ensure that the richest 5 per cent – defined as those earning £20,000 or more – pay more tax.

The money, he said, would go towards revitalising British industry and reducing unemployment.

□ METRO-CAMMELL, a subsidiary of the Laird Group, has won a £30m contract to supply 75 railcars for the Kowloon-Canton Railway (KCR) in Hong Kong. The company said the order was won against Japanese competition.

Metro-Cammell has shed 750 workers since it failed last year to win the S$280m contract for railcars for the Singapore rapid transit system.

It was also part of a consortium that last July lost a battle for the £97m contract for the first phase of a rapid transit system in Hong Kong's Northwest New Territories.

□ AN INTERNATIONAL moratorium on dumping nuclear waste at sea, which began in 1983, is expected to be extended for at least another year.

Members of the 1972 London Dumping Convention, a treaty designed to protect the seas from pollution, failed to bridge the gap between countries wanting an outright ban and those who favour a resumption of dumping, led by the UK.

□ CHLORIDE Group has won a development contract from the U.S. Government worth nearly $6m for a new battery which can store four times as much energy as the same weight of lead-acid battery.

The three-year contract will double the company's present rate of research and development spending of more than £1m a year on the sodium-sulphur battery.

□ BRITISH Oxygen Company will be hit by a ban on overtime next week over a pay claim by manual workers. A union spokesman said the action would have a "dramatic impact on BOC's ability to supply customers."

BOC supplies gases essential for many manufacturing processes. A strike at BOC in 1977 caused disruption of the steel and other industries.

MANAGEMENT: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Consumer durables

Keeping Middle America cool

Christopher Parkes describes Whirlpool's drive to improve its marketing

"CAN YOU see the wig-wag?" Bob Barton spoke calmly and authoritatively down the phone as he guided a caller to the washing machine gremlin which had tied his shirts in knots.

Senior man in a full-time team of 18 consultants on Whirlpool Corporation's toll-free customer "Cool Line," Barton takes about 65 calls a day from Whirlpool domestic appliance users who ring in from all over the U.S.

The team will handle more than 350,000 queries this year, helping customers cope in their laundry rooms and kitchens: how to remove melted crayon from the dryer drum, how to wash unusual fabrics, where to contact one of the company's 5,000 franchised service agents, advice on do-it-yourself repairs for the adept, and even comfort for the lonely.

On call from 8 am to 9.30 pm, the team is in the front-line of the company's marketing drive which aims to ensure that old customers remain faithful to the brand and that they pass on the good word to potential new buyers.

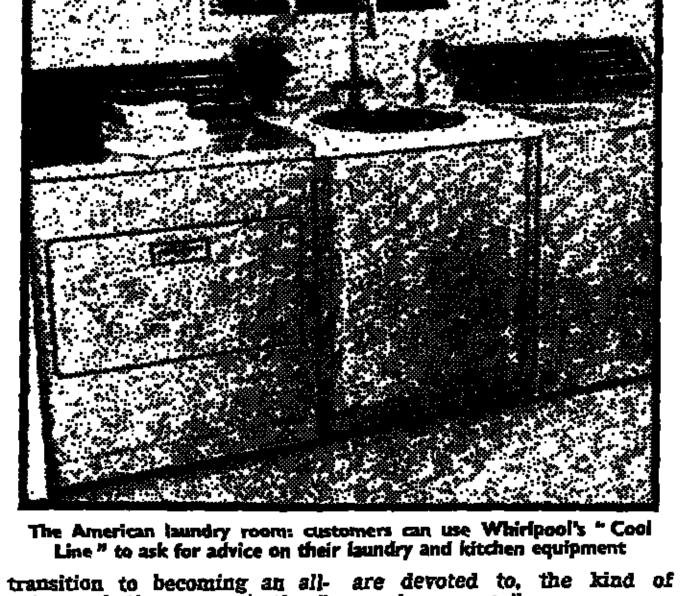
Occupying a central position in Whirlpool's offices at Benton Harbour, Michigan, the team's booths are flanked by service manuals dating back to the 1950s, cookery books for microwave users, pamphlets and a modest range of complementary spare parts which can be posted to help dogged do-it-yourselfers. Staff also help monitor the performance and punctuality of authorised service agents, who are obliged to answer customer calls within three working days.

There is even a special "diplomatic" team, assigned to dealing with the inevitable, sometimes irate, calls and mail addressed directly to company chairman, Jack Sparks.

Planted squarely in the middle-price range of the U.S. appliances trade, and intently keeping in touch with Mr and Mrs Middle America, Whirlpool shares leadership of the business with General Electric.

Its ambitious manufacturing and corporate development plans have been under way for two and a half years. The manufacturing base has been reduced by 15 per cent and the workforce trimmed by 10 per cent to 20,000 (see yesterday's Management Page).

Now it is building onto and around its established Cool Line. The aim is clear. "We are in transition to becoming an all-out marketing organisation," says David Whitwam, vice-chairman and chief marketing officer. "This is the last and most important move in the transformation of the company."



The American laundry room: customers can use Whirlpool's "Cool Line" to ask for advice on their laundry and kitchen equipment

Newly-promoted, Whitwam spent the better part of the Labor Day holiday emptying the cardboard boxes of papers from his old office into the cabinets and drawers in his smart new suite. He is strongly tipped to succeed Sparks when he retires at 65 in December 1987.

"The appliance industry has lagged behind the soft goods marketers," he explains. "It tended to concentrate on selling to distribution channels rather than consumers."

The change of direction started in 1983 when the company, already boasting one of the fattest advertising budgets in the consumer durables business, increased promotional spending by 85 per cent. The programme is continuing, says Whitwam, "in support of our long-term commitment to building brand name awareness.

"We need to describe to people what we are doing in total: the kind of product we build, the kind of quality we are devoted to, the kind of people we are."

Many Whirlpool products are now "sold" before the customer even enters the shop, he claims. "People come in and know what they want. An educated consumer eases the pressure of 'price' shopping. He or she no longer goes in and simply asks for the cheapest."

For the near-term future, the company has its eye on the process of demographic and economic polarisation which is overtaking the U.S. consumer products market.

The trend towards condominium living and smaller houses, for instance, has raised demand for appliances smaller than the bulky U.S. norm. The ageing population wants machines with easy-to-read graphics and larger print.

Perhaps most significantly, monitoring has shown rapid growth in the more affluent sections of U.S. society. The rich are getting richer and more numerous. This was one of the reasons which prompted Whirlpool to launch its litigation-ridden bid for the KitchenAid division of Dart & Kraft, which has a substantial chunk of the business in up-market dishwashers and other appliances.

"Whirlpool as it stands is not a Miele," says Whitwam, comparing the quality of the KitchenAid range with one of Europe's classiest appliance companies, and clearly aiming at the upper end of the market at present dominated by Maytag of Des Moines, Iowa.

Whirlpool's own education process has contributed towards making consumers more demanding and style conscious. Generally finely engineered, though never the most elegant of machines, U.S. appliances are becoming sleeker and more sophisticated. The computerised, touch-control programme panel is now commonplace on washing machines. Refrigerators feature computer graphics or gentle buzzers to show if the door is not closed properly.

Recent rationalisation and consolidation in the industry has heightened competition, and Whitwam is constantly on the alert for new demands from consumers and new niches to fill.

"Innovation speeds up the purchase cycle in that it helps make less sophisticated models obsolete more quickly."

The "education" budget is not, however, confined to the consumer. Employees form a vital link in Whitwam's marketing chain. Across the lawns from his office and with a fine view of Lake Michigan, Richard Herrmann, staff vice-president of corporate education, presides over a new $5m training centre where new staff, agents and servicemen are put through the Whirlpool school.

Downstairs, six management trainees are being inculcated into the mysteries of the wig-wag and assorted entrails of a washing machine. A former assistant basket ball coach was hesitantly explaining the programme switches to his fellow students, clearly dreading the coming critique of his presentation and cross-questioning from his peers.

Instilling the principles of team management has caused Herrmann a few headaches, he admits. In particular, former military, who are used to the "do it because I say so" approach find it difficult to adapt to "do it because I need your help." "Marines are the worst," says Herrmann, ex-USAF, himself.

Marketing abstracts

Telephone directories and the business advertiser. Industrial Marketing Digest (UK), Vol 10 No 1 (8 pages)

Discusses the role of the local telephone directory in advertising, stressing that it cannot create demand, but only point the person, in whom demand has already been stimulated, in the direction of a local supplier; suggests how, within these limitations, advertisers can shape their directory entries.

International direct marketing ideas. J. Tresidder in Direct Response (UK), February, 1985 (3 pages)

Briefly reviews direct marketing innovations from various European countries, as well as Australia and U.S.; sees a reviving interest in sweepstakes, and an interesting example — from the States — of building a mailing list at the customers' expense (Maybelline Cosmetics get customers to pay to fill in a "beauty" analysis questionnaire); identifies the worst idea (a response coupon on black with white printing) — only usable if you have white ink!

Digitals revival of the Schneider Trophy. Industrial Marketing Digest (UK), Vol 10 No 1 (10½ pages)

Tells why Digital Equipment Corporation — second largest computer manufacturer in the world, but rated only ninth by the UK public — decided to move into sponsorship; examines the choices it considered, and describes how, in the end it revived the Schneider Trophy air race.

Spotting a market gap for a new product. B. E. Mattson in Long Range Planning (UK), Feb 85 (6½ pages).

Considers that many new products fail because they have entered markets too late or with too little price/performance advantage; suggests that for each product there is an "entry window" and discusses how the boundaries of this window can be defined.

How rational are your sales territories? R. Price in Industrial Marketing Digest (UK), Vol 10 no 2 (5 pages).

Describes a computer-based service capable of assisting in working out recommended patterns of sales territories by finding the best balance between sales potential and driving times. Points out the model's

These abstracts are condensed from the abstracting journals published by Anbar Management Publications. Licensed copies of the original articles may be obtained at £4 each (including VAT and p and p; cash with order), from Anbar, PO Box 23, Wembley HA9 8DJ.

U.S. TV advertising

Standards are crumbling

Frank Lipsius reports on the advent of 15-second commercials

AMERICA'S CBS network will next week usher in a new era for television advertising by offering what Madison Avenue calls "stand-alone, 15-second spots."

The move, which its arch-rival ABC will soon follow, is the most dramatic of several recent breaches of the 30-second standard for TV commercials which was set 20 years ago. As with that change, away from the then 60-second standard, the CBS initiative is expected to have far-reaching implications for the advertisers could divide their networks and their affiliates, and not least for viewers.

This latest crumbling of the 30-second standard was anticipated two years ago by the arrival of "split-30s," with which advertisers could divided their 30 seconds between two different products from the same advertiser. Since 1976 the networks have also carried stand-alone ten-second commercials to accompany the three-minute news and sports breaks that interrupt prime-time schedules. But these appear only twice a night. The new 15-second spots are expected to become much more common than that.

While denying that the CBS move was forced on the network, its vice-president of sales for television, Jerome Dominus, says it was done "at the behest of many clients . . . who can now afford the price of admission."

After weak forward sales of commercials in the summer, the autumn season is getting off to a slow start. Yet the average cost of a prime-time 30-second spot is up from $104,000 a year ago to $119,000. The cost per thousand viewers has expanded steadily over the past decade, with prime-time network commercials three times the cost of what they were, while only 7 per cent more households are watching them.

Robert J. Coen, senior vice-president and director of forecasting at McCann-Erickson, believes that in just a few years' time, the price of 15s will be "as high as today's 30s." But for the moment one of the main reasons for the 15s is that 30s are no longer affordable. To start with, stand-alone 15s are being offered at half the price of 30s, but strong demand would prompt the networks to charge a premium.

The split-30 commercial began life in 1982 when a federal court judge ruled that the National Association of Broadcasters' code restricting network commercial schedules violated anti-trust laws. Alberto-Culver, a shampoo manufacturer, presented networks with split-30s, a practice that has since been followed by more than two dozen major advertisers, including Nabisco, Coca-Cola and Gillette.

Until now about a quarter of CBS's prime-time advertising has been offered for use as split-30s, but only a quarter of the time available has been sold as such. This prompts some industry executives to forecast that 15-second spots will take time to catch on. It is certainly true that the networks could not immediately sell double the number of commercials now running, even assuming the agencies could produce them.

Yet if demand for 15-second spots were to take off sharply, and the pattern of change were to follow the evolution of 60-second commercials to 30-second ones, a fifth of all commercials would be 15 seconds within five years. According to Robert Coen: "They will take off by 1995 so that 75 to 85 per cent of all commercials will be 15 seconds."

Clutter

Studies have already shown that 15-second commercials have 80 per cent of the impact of 30-second ones, so that even if the networks charge a 50 per cent premium on the cost of time in 30-second units (as some advertising executives expect sooner rather than later), the advertiser will benefit from the shorter commercials.

Independently-owned network affiliates around the country resisted the move to 15-second spots because of both the potential clutter and growing inventories of space to fill. Still it will now be hard to resist them, especially if Madison Avenue takes the lead by starting to produce most of its commercials at that length.

One of the main effects of shorter commercials would be on the advertising of new products. Conventional wisdom in Madison Avenue assumes that short commercials are fine for reinforcing an image, but that viewers need longer commercials to appreciate new wares. The prevailing view at the outset of the new era is that 15 seconds are more suitable to an informative than an emotional advertising pitch. But habit will no doubt remove the sense of urgency a short commercial gives, so that ultimately creative people will get more manoeuvrability in the shorter form.

As for the effect on viewers, the networks still face a long agonising debate over the clutter that results from halving the time of each commercial and doubling the number of messages that are run. In the 20 years since 30 seconds replaced the minute as the standard length of commercial, the number of commercials carried on the networks in an average week has tripled.

Robert Coen does not expect the networks to lose viewers because of the increasing number of commercials, though the advertisers do seem to have something to worry about. In a recent consumer test, J. Walter Thompson exposed 5,600 respondents to a half-hour situation comedy with varying numbers and lengths of commercials. According to Jeff Johnson, vice-president research director at JWT, the test showed that "as viewers believe they see more advertising, they become more negative toward it."

The reluctance of CBS and ABC to open the way to 15-second spots is underlined by NBC's willingness to "be a follower rather than a leader in this," according to Helen Manasian, director of corporate publicity at the network. Unlike its two rivals, NBC appears to be having little problem filling its existing slots, and it is charging the new season's highest rate, $270,000 for a 30-second spot, on The Cosby Show. It is this programme, starring comedian Bill Cosby, which has spurred NBC's recent dramatic rise in ratings, and its ability to operate a seller's market, rather than the buyer's market from which CBS and ABC are suffering.

Despite its restraint, NBC will be forced to follow suit with 15-second spots if large numbers of advertisers prefer the new format. That, in turn, depends partly on whether viewers tire of constant bombardment by even more advertising messages than they are accustomed to.

TECHNOLOGY

EDITED BY ALAN CANE

Japanese develop a tougher brake ring

BRAKE rings made out of a new and sophisticated ceramic composite have proved twice as durable as rings made from silicon nitride—itself a "new material" of great promise.

The ceramic composite has been developed by the Japanese companies NKK and Tokyo Yogyo. It is a sialon and boron nitride composite made by what NKK describes as the world's first application of the reaction sintering process.

Sialon is a new, fine ceramic composed of silicon, aluminium, oxygen and nitrogen. It has remarkable strength, hardness and durability.

In the reaction sintering process, boron metal powder is pre-sintered lightly (that means heat-fusing the powder into the correct shape, then machined. Next, the nitride reaction is induced at high temperature.

The technological problems NKK had to solve in applying the technique to sialon and boron nitride included the difficulty of achieving uniform sintering and minimising firing shrinkage.

Sialon is conventionally produced by sintering or hot pressing. The process gives a material of very high sterngth but one which is difficult and costly to machine into shape.

The latest process cuts the cost of machining to only 10 per cent of what is conventionally required.

The composite is tough and oxidation resistant. It is expected to be widely used for process parts such as nozzles which come into direct contact with molten steel and high temperature heating furnace parts.

ALAN CANE

U.S. Navy and TRW on course for user friendliness

Early collaboration between designer and ultimate user may make computers easier to handle, reports Peter Marsh

HUNCHED OVER his computer screen in a battle control room somewhere in the U.S., the Navy officer has a problem.

In the cat-and-mouse surveillance exercises practised endlessly by the U.S. and USSR, the officer is trying to plot the tracks of Soviet submarines as they manoeuvre off the American coast.

But the computer professionals who developed the Navy's computer system overlooked an important point. The officer finds the colour chosen to depict the tracks of Soviet submarines is disconcertingly similar to the one used for U.S. vessels.

Confused and distracted, the officer fails to notice a particular Soviet craft whose crew at that very moment is loading a large and ominous-looking warhead into the submarine's missile tube . . .

Such hypothetical situations give military planners nightmares but they are not hard to envisage.

A few years ago, the U.S. Army worked on a computer system called Beta which was supposed to help military analysts by bringing together huge volumes of data about troop movements of opposing forces. But the people the system was meant to help found communicating with the equipment so complicated that it was never used.

To iron out problems of extracting data from computers while such systems are still in the planning stage, TRW, the U.S. aerospace company, has invested $5m over the past three years in a set of software tools to help build electronic equipment for specific applications.

The company's space and technology group, based in Redondo Beach, California, has assembled researchers from areas as diverse as computer science and sociology to work on the problems.

TRW is doing much of the work under a U.S. Navy contract to design a computerised control room where planners will chart movements of vessels all over the world and assess potential threats. The Navy is understandably eager to co-operate in this venture as the work on "user friendliness" should bring better results from a computer system which could cost tens of millions of dollars.

TRW's work also has relevance to the development of "battle management" software, which military scientists working on President Reagan's "Star Wars" programme will use in trying to work out how to deal with incoming Soviet missiles. TRW, together with Boeing, Lockheed and Martin Marietta, is one of the big U.S. defence contractors working on this aspect of the programme. British software companies such as Logica and CAP also hope to become involved.

The project's potential is by no means limited to military uses. It could help developers of computers for applications that range from factory automation to map-making.

TRW bases its work on a set of software tools (comprising a total of 750,000 lines of code) which go under names such as RUBY, GIDS and FLAIR. Using this software, which runs on a VAX computer made by Digital Equipment, a computer professional works with a second person who represents the ultimate users of the equipment.

With a technique TRW calls "rapid prototyping," the computer expert and the user together try out various ways to gain information from the computer. In the case of the naval application, for example, the workers can use different techniques to depict data displayed on the screen.

As well as trying out different colours for the lines for shipping tracks or the names of cities, they can employ a range of software methods—for instance, to enlarge sections of an ocean map for close study or swivel the whole map about a line of longitude to gain a better appreciation of a sea region.

The workers can also experiment with different ways of calling up textual data to complement visual information. In this way, the researchers can select from several options a technique to display words and numbers—about the capabilities of a certain type of submarine for example—in a form that is simple to use and does not clutter up the screen.

The designer learns what baffles the user (left) and devises a system to simplify combat

According to Mr Larry McLaughlin, manager of engineering technology in TRW's defence systems group, researchers can also use the software tools to devise ways of merging the information displayed on the screen with other data. They can thus instruct the computer (using information about the speed capabilities of a specific submarine) to calculate when the vessel is likely to arrive at a certain spot and whether a rendezvous with other craft is likely at that point.

The information used during this procedure comes from a data bank containing simulated data on subjects such as ocean conditions and ship movements. In real life, the information would be communicated to the computer from sensors on satellites and in ocean buoys, supplemented by intelligence reports.

Mr McLaughlin says it is vital for the user representative to be at hand to guide the computer worker. The users can come up with requirements for the system that the computer professional would probably never think of.

For example, someone aquainted with naval operations would want the system to include a way of checking whether the data from sensors was correct or arose from an electronic fault.

TRW has also tried its software tools in efforts to build a computer system to help map makers—where the machine lets cartographers draw lines on maps obtained from satellite photographs, to depict new roads and other features—and to analyse a mass of information for military intelligence officers.

By the end of an exercise with the company's software tools (which takes two to four weeks on average), computer professional and user have a good idea of the computer equipment they would like to see built for a real application. Up to this point, the system they have been working with has been nothing more than a sophisticated simulation: they can now get on with the job of instructing engineers to develop both the hardware and software required for operational equipment.

Prize robot for the playground

PHYDEAUX is the name of a "mechanical dog" for giving rides to children. It won a prize for the most functional personal robot at this year's International Personal Robot Congress held earlier this month in San Francisco.

The machine, built by John McChesney of Santa Clara, California, was exhibited along with the "Robocycle," a mobile robot that performs a series of lively movements and acts as if it were in a discotheque.

Robocycle, developed by Gene Olfield of Sacramento, won a prize for the most entertaining robot while the "most original" machine was judged to be Prime, a six-foot walking robot created by Thomas Madison of Wisconsin.

The congress, sponsored by the Robotic Industries Association and the National Personal Robot Association, attracted some 2,000 visitors.

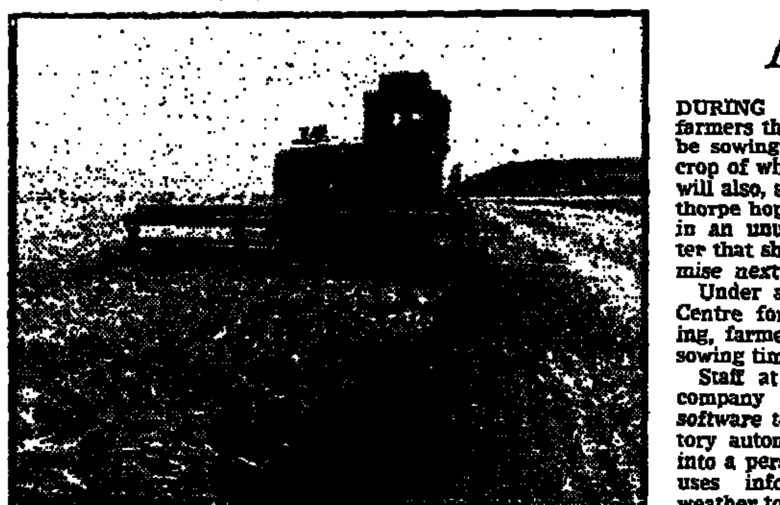
Minolta's cure for illicit photocopying

UNCONTROLLED ACCESS to photocopiers can cost a company as much as one copy in every four, according to research by the cameras-to-copiers maker Minolta.

To control this threat to company profits, Minolta has developed an electronic monitoring unit programmed to accept magnetically encoded keycards similar to bank cashcards.

Copiers protected by the unit will operate only if an authorised card is used to activate the machine. The system monitors all copying operations and provides a detailed cost analysis of copies produced by individual staff, by departments or throughout the company.

More details on 0908 615141.



Aiming for accurate farming forecasts

DURING the coming weeks, farmers throughout Britain will be sowing seed for next year's crop of wheat and barley. Many will also, so a company in Scunthorpe hopes, enter information in an unusual computer register that should help them maximise next autumn's harvest.

Under a scheme run by the Centre for Software Engineering, farmers provide details of sowing times and field locations.

Staff at the centre, a small company which specialises in software tools for uses like factory automation, feed the data into a personal computer. This uses information about the weather to work out a timetable for events such as applying insecticide and fertiliser.

The scheme, called Acres (Advisory Crop Reporting Service) is sold through a network of local agents, such as seed merchants.

According to Mr Ian Johnston, a consultant at the centre, about 70 farmers took part in the exercise last year, the first time the scheme had been tried out. Results were so good that he expects many of them to return this autumn to collect schedules for crop development during the coming 12 months.

For a fee of £1.80 an acre of wheat or barley (a typical field is 20 acres or more) the farmer receives a timetable updated week by week to take current weather conditions into account.

"The farmer uses his experience to get a constant feeling for the way the weather is influencing crop growth," says Mr Johnston. "Our predictions help him to quantify what is happening."

According to the centre, the software tool not only helps the farmer to apply field treatments at the correct time—an approach that should lead to a larger harvest and less fertiliser waste—but identify fields which have top priority and help plan manpower and equipment.

Last year, says Mr Johnston, the software system correctly forecast the way that the weather pattern affected cereal growth. A mild early autumn bringing an early spurt in development was followed by a savage winter which retarded growth, leading to this year's late harvest.

It is particularly important to keep track of weather conditions during the first few months after sowing because faulty application of soil additives in this period can result in a small crop.

The software on which the system is based uses weather information obtained over 30 years from the Meteorological Office. This is correlated with information about the geographical location of fields and their height above sea level. The time of sowing has a crucial influence on how the crop will grow later.

PETER MARSH

THE ARTS

Musee Picasso/William Packer

A home at last

Next Saturday the Hôtel Salé in the Marais opens its doors to the public at last as the Musée Picasso, permanent home of the *Donation Picasso* and the latest jewel in the crown of la Réunion des Musée Nationaux. *Donation*, however, is not quite the first word that springs to mind to describe a collection, magnificent as it may be, that has been given by the heirs in settlement of tax upon an estate. And there is, too, a certain irony to savour in that this, perhaps the most spectacular celebration anywhere—*pace* our own Turner Museum—devoted entirely to the achievement of a single artist, should be given in this case to an artist not French at all but one of the most conspicuous expatriates of our century.

Picasso's heirs have not had to wait as long as Turner's for their affairs to be resolved, but the 12 years since his death are long enough, and a long delay and a great fuss at its conclusion may conspire to generate not only relief but also a certain sense of anti-climax.

The interval has been occupied by a Picasso industry of criticism and presentation, grown more active and prolific than ever, with the several aspects of the posthumous reputation to establish and confirm in book and show upon show. The ceramic work that occupied him from the 1940s to the 1960s, for example, has been closely considered for itself, as has the later sculpture, and all the graphic work. Most important has been the critical re-evaluation of the paintings of his old age, of the sixties and seventies, as what had been received at first as sad evidence of declining powers and out of tune with the times, came to be seen, as practical and critical pre-occupation changed, as extraordinarily prescient and relevant works. They were works moreover which, far from being at odds with what had gone before, rounded off and drew together the Oeuvre of a lifetime, entirely fresh and original in themselves yet throwing the mind and eye back directly even to the work of his extreme youth, the period of *les Demoiselles* and proto-cubism in the mid-1900s.

And then, as the delay continued, came the definitive exhibitions that drew upon the residual collections themselves. We saw Picasso in his role as collector, with the works he owned of his great contemporaries, and of the old masters who intrigued him. Thus we could speculate upon the nature of the particular interest that might be a direct influence here, as with the putative les Nains that seem so close in imagery and feeling to the vagrants of his blue and rose periods, or the exquisite Degas monotoypes of *les maisons closes;* or there a more general sympathy and respect, as with Matisse, Vuillard, Balthus or Derain. All these things are here on view.

There followed too the massive selection (that went on international tour in the early 1980s) of those works of all kinds that Picasso held back for himself, or never finished, or barely started, the stuff of constant creative play and experiment, all of which forms the substance of the *Donation* as it presents itself to us. To say that we have seen it all before is neither true nor fair, but what is true is that the opportunity of full assessment and perhaps final comprehension of this manifestly great artist, which the Musée Picasso so handsomely affords, has already been well rehearsed.

The one quality we might have hoped for in a museum which is to be the permanent home of so much of the artist's most personal work, with his hand poised as it were above the canvas, and so much memorabilia and documentation besides, is also missing. For the Hotel Salé, grand as it is and very special, is nevertheless a museum conversion of the most modern kind, the display historical and curatorial and the ghost of Picasso fled far away.

We cannot have everything, and in setting down my own immediate response I would add that the Musée Picasso gives us a very great deal indeed, a view of Picasso whole at any time we care to step across the threshold. The circuit of the galleries is somewhat maze-like but clearly marked, following room by room the rough chronology of Picasso's career with occasional diversions and asides. And since Picasso, though so various an artist overall, was inclined to work broadly within a given theme at a time, each room for the most part accommodates a particular coherent display: youth and the blue period in Room 1, and so on through the rose period, les Demoiselles d'Avignon and the prelude to cubism, cubism itself, of course, and then the classical phase of the early 1920s, and on into surrealism, and on and on.

The Picasso Museum in Paris

Room 5 is given over to a handful of works by his immediate contemporaries, including three magnificent paintings by Cézanne, who was his great examplar in his early move towards cubism, and the most ravishing Matisse you ever saw, a still life of 1912 of a bowl of fruit on a pink, flowered table-cloth. The top floor has more of the collection of assorted masters, important early Miro, Balthus, Degas, Renoir, Corot, all represented by choice where not by major examples. And two rooms are given to cubist drawings; and a room on the stairs to the Vollard suite of engravings; and in the basement an alcove holds the mass of the ceramics and ceramic sculpture. But the rest—Picasso's own sculpture, and his collection of primitive sculpture and artefacts—is scattered through the museum, in alcoves in halls and stairways as well as in the galleries proper, where the important pieces do hold their chronological position.

The impression we carry away from all this material is of obsessive, uninterrupted invention, with the sculpture no diversion at all from the central preoccupations of Picasso's creative life. Just as collage was brought in to augment the surface in later cubism, and the creative freedom it conferred never abandoned, so with sculpture it came to be that anything would go, if indeed it would go—that is to say, if it was immediately useful, relevant or necessary. The wastepaper basket for the goat's ribs, the toy car for the gorilla's skull, and the bicycle saddle bull's head are merely the most famous examples of this constant creative, mischievous cannibalism.

As for the paintings, there is nothing to say that would not require a book, were it to embrace the full compass of Picasso's achievement. Particular images hang in the memory, but even here; to pick them out is merely to impose a personal preference. The vitality, at times the desperate vitality—so fraught is it with tragic possibiltiy — that sustaind him through 70 years of activity is clear enough, and too the astonishing facility, a command of medium and material that allowed him at least to try anything, on any scale.

Othello/Royal Shakespeare, Stratford-upon-Avon

Michael Coveney

Ben Kingsley dropped a few hints of his Othello in his one-man Edmund Kean show but that was no preparation for his fully worked out Moorish warrior in this fast and exciting revival by Terry Hands for the Royal Shakespeare Company in Stratford-upon-Avon. It is a performance in which serene strength is disrupted by animal passion and in which the green-eyed monster walks abroad as a symptom of a sense of disgrace rather than a sexual possessiveness.

When the casting was first announced, one felt that Kingsley and his Iago, David Suchet, might be ideally interchangeable. They proved to be of equal strength and the great climactic scenes are a thrilling duel. But there is no overlap, no convincing hint that the roles in this production might be fruitfully reversed. Kingsley's uncanny Eastern-ness—and this is the most genuinely ethnic Othello since Olivier who was stage Negroid rather than convincingly African — is achieved without make up in a costume of Arab head dress, Indian dhoti and Moorish accoutrements. The "sooty bosom" reference is cut: Kingsley sports a tuft of white chest hair that is complemented by his dangling, beaded locks.

He is like a non-pacifist guru from an opening entrance in which he creeps stealthily downstage right through to the panther leap on to Desdemona's deathbed. A man apart, a magi and a soldier, Kingsley's Othello embodies the character's mixed background and exotic status in a highly competitive as well as resentful Venetian military set-up.

Suchet's Iago is a manipulator of younger officers as well as of his commander's weakness. The point is well made in the energetic exploitation of a callow, besotted Roderigo (Gerard Logan is surely the first actor in the role not to gain a laugh on "I'll sell all my land") and of the ambitious, unlikeable but well-delineated Cassio of Tom Mannion. This Iago breaks entirely with the malevolent winking tradition and plays his villainy with the forceful sincerity it is sometimes taken for. This is a new one on me, and it lends the evening an extra potency as Suchet only allows black laughter into the role as part of a gradual process of displaying a heart on a sleeve with nothing up it.

Othello is often most compelling as a chamber tragedy but Ralph Koltai's design ingeniously combines the domestic and public elements in a black box limbo with an Advent calendar door tellingly occupied first by Joseph O'Conor's blustery Brabantio and, later on, the vengeful hero. An imposing pair of Perspex screens, at once reflective and transparent, are magically trimmed with neon lighting, and the floor itself begins to glow as Kingsley steps upon its glacial midnight surface.

The suberb costumes of Alexander Reid incorporate the predominant colours of white, black, gold and yellow, and the lighting of Mr Hands and Clive Morris includes a blinding storm followed by a dense smoky portcullis effect as Othello lands safely in Cyprus. With its large sculptural emblems of a Cypriot crucifix later replaced by a dangerously resting gold lion, the general efficiency is only marred by the Cassio/Roderigo fracas being entirely obscured, from the stalls at least, by the doomed Desdemona on her risen bed.

Niamh Cusak's wronged Italian wife is neither soft nor tiresome. She is forceful rather than touchingly sympathetic but she convinces as one with whom Roderigo would not have stood the slightest chance. The Emilia of Janet Dale is a marvellous study in rejected sexuality, canoodling her way for a fleet moment into Iago's favour with the procured handkerchief only to find herself spun from the embrace in a premonition of Kingsley's "turn, turn, turn" humiliation of Desdemona which leads to a truly shocking slap in the face. There are fine cameos from Arnold Yarrow as a Cypriot clown in full traditional fig and from Roger Llewellyn as a silkily authoritatively Lodovico.

Finally, though, this production will be remembered for Kingsley's marriage of glinting inscrutability with daring gestural extravagance. He starts his slow descent to frenzy with a caesura dividing "excellent" from "wench" that is full of the impending chaos he predicts. He has an almost mystic presentiment of disaster which he justifies in clawing explosions of revenge; in his rigidly trembling epileptic fit (easily the best since Olivier's) which leaves him a supine, grovelling witness to Iago's setting-up of Cassio; and in the raw domestic fury of the bedroom denouement which he caps with a suddenly ferocious slashing of his own throat after ending his cross-cultural but curiously symbiotic relationship with Suchet's very fine Iago.

Alastair Muir

David Suchet and Ben Kingsley

David Bintley/Sadler's Wells

Clement Crisp

The autumn ballet season is upon us, with Sadler's Wells' own half of the Royal Ballet installed for a season in Rosebery Avenue, and showing on Tuesday night a programme by its resident choreographer. The common thread running through the works by David Bintley which made up this attractive triple bill is a vitality, a dance energy, that speak of a talent still prodigally youthful.

The choreography seethes with ideas, with movement that compels out attention, from the early *Meadow of Proverbs* with its brief sketches inspired by Goya, by way of the dramatic exploration of Kafka in *Metamorphosis*, to the most recent *Flowers of the Forest* and its contrasts of Highland and Lowland dance.

Each piece is clearly rewarding to dance, and rewardingly danced by a company in fine fettle. Each piece, whatever its incidental flaws, shows a gift for characterisation embedded in movement: we see how strong are the outlines of the steps and how well argued their use.

Meadow of Proverbs, which opened the evening, is a parade of scenes, satiric, comic, occasionally sombre in mood, that are caricatures of human foibles, from the mock grief of three men agonising over a girl's body, to the idiot militarism of Carl Myers as the commander of a troop of faceless soldiery. The black jokes bubble out, and the momentum of the choreography carries us along with it.

Alastair Muir

Marian Tait and Roland Price in "Flowers of the Forest"

Metamorphosis is a rather more vexed matter. There is no gainsaying Mr Bintley's skill in drawing Kafka's characters in dance — the victimised Gregor Samsa who is metamorphosed into a giant insect; his dreadful family; and, especially, his sister, whose discovery of his new incarnation is brilliantly shown in the rigid images of shock so finely interpreted by Leanne Benjamin. But the cutting edge of Mr Bintley's characterisations, and the no less cutting edge of his cast's performances, cannot disguise the fact that the dramatic development is over-extended and the bravura of the interpretations and the movement does not compensate for the longeurs of the tale.

No longueurs though, in the final *Flowers of the Forest* where the dance is sunnily jovial in the first of these two linked ballets, and nobly soaring, touched with the old tragedies of the Highlands, in the more considerable second part. The dancing is everywhere splendid, the nipping and tucking of the three couples in the opening frolic well set against the elegance of the laments in Britten's *Scottish Ballad.*

The season, be it gratefully noted, is sponsored by Conoco Jet.

Philharmonia/Festival Hall

David Murray

In another newspaper, Andrei Gavrilov was promising that his Rakhmaninov Second Concerto on Tuesday would sound like a quite different piece: no such luck. Not that there is anything wrong with the Concerto as it stands; but the Philharmonia programme originally announced (Bach, Bach-Webern and Ravel) was about four times as interesting as the one that replaced it (Rakh 2, Chaik 4 and the *Flying Dutchman* Overture) and a really perverse performance would have been some kind of consolation.

Gavrilov imagines that Rakh 2 is always subjected to gratuitous swoons and whimsical rubatos. That argues a limited experience of other people's Rakh 2 (though domestic Russian performances may, for all I know, go like that). In fact many manners are visited upon the Concerto, not all of them so very different from Gavrilov's sternly up-tempo reading. That was impressive in its own right, with its steel-curved preludial crescendo leading into a toughly elegant account of the entire piano-part — and the conductor Guido Ajmone-Marsan took his cues loyally.

Gavrilov is an immensely gifted pianist: many passages sounded uncommonly, even unnaturally brilliant. All the same, impatient energy makes a low common denominator in this piece, and too much was reduced to it. The Concerto is loved for its alternation of stylised yearning with muscular verve; Gavrilov made little distinction between them.

Ajmone-Marsan was a last-minute replacement for Giuseppe Sinopoli, but he had time to make something personal and decidedly strange of Chaikovsky's Fourth Symphony. It was generally loud and hard-edged, but the harmonic underpinnings were deliberately underplayed. From the principal theme of the Moderato onward, the melodic material was allowed to wind almost freely, without strong phrase-shapes; the effect was remarkably non-Western, a series of brightly coloured, undeveloped episodes. The *Höllander* Overture sounded like a crisp, forthright emission from an Italian opera pit.

The Hunchback of Notre Dame

Martin Hoyle

The mixture just failed to set. One of Scotland's brightest young groups, Communicado, has launched another season of the cream of Edinburgh's theatrical fringe sponsored by Perrier at the Donmar Warehouse, Covent Garden. Andrew Dallmeyer's adaptation of the monstrous old Hugo's Gothic swashbuckler runs an entertaining gamut of styles from comic-strip directness to silent cinema slapstick via self-parodying melodramatics and music-hall knockabout. Such prominent Scots actors as Tam Dean Burn and Sandy Welch—recently a gripping Thane of Glamis—labour strenuously, but the assembled company sat as immobile as a row of gargoyles, though marginally handsomer.

The trouble is that nobody—even, I suspect, the cast—is sure how seriously to take the swooning farrago. The programme note sets a sternly moralistic tone, but the plot's creaking contrivances merely obscure Hugo's cry against injustice; and farcical treatment, however diverting, muffles it further.

All praise to the beastly masks, presumably intentional gargoyles, who croak and moan over the opening and closing of the action. Gerry Mulgrew not only directs but provides a cheerful indeed lovable, Quasimodo. I am sure if Mr Welch's poet is meant to look like Jeremy Thorpe or merely Stanley Baxter imitating Jeremy Thorpe. He plays it safe and does both, with some success.

Evening dress and elegant beard imperial lend Steve Kettley a decadently Grosz-like air as he plays various instruments. As with this company's *Carmen*, music plays an important part (in the midst of bustle the cast suddenly burst enchantingly into "Il est bel et bon"). Plenty of pace; ingeniously spare set based on double gates topped by a rose window. I hope it hits its stride, preferably with an audience less replete than the first-nighters with Perrier hospitality, following the award to Théâtre de Complicité (already reviewed by Michael Coveney and back in a mid-evening slot).

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Sept 20–26

Exhibitions

PARIS

Medieval Art in Paris: The Abbots of Cluny built their magnificient late Gothic town house in the heart of the Latin Quarter on the blackened ruins of Roman Baths. Now a museum, it houses medieval works of art: Goldsmiths' work, carved altarpieces, ivories, fabrics, with two English Royal standards embroidered in gold on red velvet. In a rotunda of its own is a set of the Lady and the Unicorn mille fleurs tapestries – an allegory of the five senses, one of the masterpieces of medieval art. Musée de Cluny, Place Paul-Painlevé, Métro Odéon.

Perfume: An enchanting exhibition in praise of perfume assembles 550 objects, mostly phials, bottles and perfume fountains from the 16th to the 19th century. Some were made of Viennese porcelain, others of Bohemian cut glass or from gold and enamel in England. There are silver pomanders with petals opening up and Chelsea china statuettes. They all show exquisite workmanship and some of perfume's power to beguile. Le Louvre des Antiquaires, 2 Place Palais Royal. Ends Sept 29.

NETHERLANDS

Amsterdam, Stedelijk Museum: Posters illustrating the work of a new generation of Japanese designers and art directors. Ends Oct 27.

Nijmegen, Commanderie van Sint Jan: From 1960 to 1974 Joseph Beuys made a trademark of crosses done in brown paint. The present Braunkreuz exhibition traces the evolution from the single cross used almost as an afterthought to the high reliefs of the later panels. Ends Oct 13.

The Hague, Gemeentemuseum: A glimpse behind the scenes of 18th-century opera production, with prints, drawings and scale models illustrating set design, costumes, stage machinery, and the use of gesture to heighten the dramatic action. Ends Nov 10.

BRUSSELS

Opera costumes from 1959 to the present including Zeffirelli's Rigoletto, Bosquet's Traviata and Karl Ernst Herreman's Clemency of Titus. Musée de Costumes et Dentelle. Until November.

WEST GERMANY

Münich, Villa Stuck, Prinzregentenstr. 60: A retrospective of the works of Otto Dix with 472 oil paintings, aquarelles, graphics and drawings from between 1891-1969. It is the biggest assembly of his works ever. Ends Oct 27.

Emden, Ludolf Backhuysen-Gesellschaft, Rathaus am Delft retrospective of Ludolf Backhuysen, born in Emden, with his characteristic sea and city landscapes from 1631 to 1708. Ends Oct 15.

Hildesheim, Römer und Pelizaeus-Museum, Am Steine 1–2: Nofret, the exhibition covering Women in Egypt. For its last stop in Germany, the exhibition will carry 177 pieces, an extra 96. Some 30 objects are on loan from the Egyptian Museum in East Berlin. It is the biggest assembly of Pharoan Art. Ends Nov.

Aachen, Suermondt-Ludwig-Museum, Wilhelmstr. 18: 100 drawings, watercolours and plastics from Joseph Beuys, covering the fifties and sixties. Ends Sept 29.

Essen, Villa Huegel, Auf dem Huegel: Turkish culture and art from the Osman Empire. 500 works ranging from the 15th-19th centuries. The show includes glass, carpets, ceramics, miniatures and weapons. Ends Oct 27.

Cologne, Kunsthalle, Joself-Haubrich-Hof 1: The Fiancée Beloved, Sold, Exchanged, Stolen. The exhibition describes the role of women in different cultures and shows various marriage ceremonies. It also displays 2,000 paintings, photographs and costumes from various countries through the ages. Ends Oct 10.

ITALY

Florence: Museo Archeologico (Piazza SS. Annunziata) – The Etruscan Civilization: This is the first of a long series of exhibitions to mark The Year of the Etruscans, and shows the results of the most recent research into the Etruscan world. A useful history of this civilization's birth, development and decline. Ends Oct 20.

Rome: Palazzo Venezia (Piazza Venezia 3): Paesaggio Con Nigura – 57 works from the Borghese collection. The Villa Borghese, which houses one of the best patrician art collections in Rome, is likely to be closed for repairs for at least another year and some of the gems from the collection have been transferred to this site for the summer. Includes works by Titian, Veronese, Domenichino, Caravaggio and Dosso Dossi. Ends Sept 30.

Milan: Palazzo della Triennale: Alfa Romeo: A celebration of the company's first 75 years with photographs of key figures from its past, with project designs and vintage models. Ends Oct 30.

Florence: Museo di Storia della Scienza: A History of Spectacles. More than a hundred pairs of glasses from the Zeiss foundation (in E. Germany). This is the first time the collection has been shown publicly. Exhibition also includes engravings by Durer, Rembrandt and Japanese artists. Ends Jan 11.

Padua: Palazzo della Ragione: Halley and Giotto in the Cosmos. The first stop for an exhibition celebrating Halley's comet. Examples of the sophisticated instruments used to trace and examine the comet. Ends Oct 27.

Florence: Palazzo Pitti (Sala Bianca): Modern masters from the Thyssen-Bornemisza collection: The pleasure to be had from this remarkable exhibition is that it reflects the taste and prejudices of one individual: one of the few left who can afford Corot, Manet, Gauguin, Picasso – and who is generous enough to send them to be exhibited in France, England, the U.S., Australia, Japan, and now Italy. This same collection, with a few exceptions, was seen at the Royal Academy in London last autumn. Ends Sept 29.

SPAIN

Madrid: King Juan Carlos will inaugurate an exhibition of 100 paintings, drawings and waxes by Spanish cubist painter Juan Gris. The selection includes paintings from private collections and museums in the U.S. and Europe. Biblioteca Nacional, Sala Picasso, Madrid.

VIENNA

Vienna 1870–1930: Dream and Reality: The greatest names of the Viennese fin-de-siècle – Klimt, Otto Wagner, Schiele, Kokoshka, Aldolf Loos, Josef Hoffman – in a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic achievements of this era with philosophical developments (notably Wittgenstein but also Freud) and political transformations (the emergence of municipal socialism on the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between autocratic and censored reality on the one hand and the illusions or fantasies of individual artists on the other is hinted at but not fully explored. A high point of the show is a reconstruction of Hoffman's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimt's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as intended, this alone is worth a special visit. Kunstlerhaus. Ends October 6.

NEW YORK

Metropolitan Museum of Art: The travelling show India, arrives from Washington with 350 examples of six centuries and numerous flourishing periods of art and craft. Ends Jan 5.

National Academy of Design: Culled from the larger Royal Academy exhibit, this view of Edward Lear's prolific career covers not only the famous illustrated limericks and verse but also landscapes and ornithological studies. Ends Nov 3.

WASHINGTON

National Museum of American Art: 35 paintings by Alexander Hogue capture the American Southwest through dustbowl and prairie in highly stylised evocative works from the 1920s to the present. Ends Nov 3.

SWITZERLAND

Martigny: Fondation Pierre Gianadda: 250 Klee paintings in the striking modern gallery built over the Roman ruins of the city of Octodurus. Ends Nov 3. (026/23978).

TOKYO

Spanish Paintings of the 16th and 17th centuries: 45 oils by masters such as El Greco, Murillo, Velasquez, Zurbaran. Religious paintings dominate, but the exhibition is well designed, heavy, dark paintings relieved by the light decor and simple lines of the gallery. The bizarre but powerful Bearded Mother of Jose de Ribera is interesting. Seibu Art Museum. Seibu Department Store. Ikebukuro branch. Ends Oct 13. Closed Thur.

Modigliani: 130 works in oils, watercolours, and sculptures. National Museum of Modern Art, Kitanomaru Park (near Palace and Imperial Hotels and parts of Tokyo's oasis near the Imperial Palace). Ends Sept 29.

Saleroom/Antony Thorncroft

Salisbury studio sale

Christie's has a long tradition of clearing out the artistic clutter from the studios of painters. Gainsborough, Reynolds, Sargent, Augustus John and Gerald Kelly are just some of the artists whose studio sales went through this auction house. Yesterday it was the turn of Frank O. Salisbury, who died in 1962. For much of the 20th century he was the leading society portraitist, with many Royal commissions.

His studio paintings, which were sold for the benefit of the British Council of Churches, contain many sketches of the leading figures of his time, but the top price in the morning session was the £10,260 (as against a £2,500 top estimate) paid for "The fair lady — a bridal dress," a portrait in the 18th-century style.

Other high prices in the morning were £6,480 (top estimate £1,200) paid for an unframed "Queen Philippa pleading for the lives of the burghers of Calais," which had been exhibited at the Royal Academy in 1915, and £5,940 for a 1903 RA exhibit, "Mrs C. C. Greenwood and her daughter."

A 1916 portrait of his wife went for £4,320. In 1913 Salisbury was chosen by Sargent and Wilson Steer to paint a picture to decorate Chelsea Town Hall. A sketch for this, entitled "The Great Artists of Chelsea" and depicting Wren, Rossetti, Holbein, Turner and more, sold yesterday for £4,104.

In the afternoon session a portrait of King George VI in his coronation robes was bought by a private collector bidding on the telephone for £8,640. The top estimate was £3,000.

The highlight of the sale was £21,600 paid by an American collector for a 1944 portrait of Sir Winston Churchill which had carried a £3,000 top estimate.

*

The fall in the dollar is adversely affecting the American demand for wine in the London auctions so Sotheby's was relieved that its sale yesterday did as well as it managed. An English dealer bought a dozen bottles of Chateau La Mission Haut Brion 1945 for £3,300, within the estimate, while two lots of a dozen bottles each of Chateau Mouton Rothschild 1961 were also on target at £2,310 a lot.

An Imperial of Chateau Lafite 1982, given by the Hungerford Wine Company to benefit Live Aid, was bought by Christie's on behalf of a client for £935 and a Jeroboam of Mouton Rothschild 1983 sold for £418.

A Charles Hull's patent Royal Club corkscrew of 1864 made £660 as against an estimate of £100-£150.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Thursday September 26 1985

Fair play in world trade

AFTER MUCH shuffling of speechwriters, President Reagan has come up with a statement of U.S. trade policy that sounds more protectionist than it was intended to be. The president *hoped to pacify Congress* by his militant talk of a "war chest" to be used against competitors who *subsidise* export credits, and of a "strike force" of officials to uncover unfair practices by America's trading partners.

Such talk may be politically prudent for a free-trade president facing over 200 well-supported protectionist bills. Its danger is that it will legitimise a siege mentality and leave his Administration with scant room when the palliatives announced this week fail to produce quick results.

By emphasising "fair" as opposed to "free" trade Mr Reagan has echoed industry's mood and taken the traditional escape route of the hounded politician. Fairness in trade is an elastic concept, and its zealous application can so easily lead back to the protectionist quagmire Mr Reagan is trying *to avoid*.

The president nonetheless deserves to be congratulated on his determination to win his battle with the Congress. He should be applauded especially by those developing countries which have been most critical of U.S. trade diplomacy and which depend so much on their sales to North America.

Services

They have an early opportunity of showing their appreciation of what the American president is trying to do. A special meeting of the 90-member nations of the Gatt starts in Geneva on Monday. Its aim is to resolve a serious disagreement over the competence of Gatt to negotiate freedom of trade in services, a dispute that *is blocking* preparation of the agenda for another multilateral trade negotiation.

Many of the issues of "fairness" that Mr Reagan has highlighted can be properly tackled only by global negotiation within the Gatt. They include the *trade-distorting* effects of n·tional subsidies *for* manufacturers and farmers. The need to control *agricultural support* systems has already been recognised by one of the Gatt working parties set up in 1982, but the subsidies code in general badly needs redefining.

The question of market access, not only to Japan but to more recently industrialised nations that enjoy the benefits of the Gatt rules without the corresponding obligations, must also be addressed. The safeguards *permitting* countries to defend their industries against import surges must be clarified, and in a *non-discriminatory* way. The tangle of "voluntary" quota restrictions undermining the spirit of the general agreement must be unravelled.

Reform of the Gatt disputes procedure—flouted by the U.S. as much as by others—would also assuage the sense of unfairness felt by many nations. Governments may have to cede further authority to the Gatt secretariat for that to work.

The job of controlling trade *loan subsidies*, of which Mr Reagan's "war chest" is only the latest example, falls mainly *to the Organisation for* Ecenomic Co-operation and Development in Paris. Having capped the interest-rate *relief* available to poorer countries on officially-supported export credits, the OECD will have to try once more to cork up mixed credits, the latest ploy. It is becoming routine for governments to buy project business for their manufacturers with timely offers of aid money to developing countries.

The *message* underlying Mr Reagan's speech has not gone unrecognised in Geneva, where diplomats and offi*cials have* been working overtime to prevent another procedural wrangle breaking out when the Gatt countries sit down to talk next week. An accommodation on the services issue must be reached, with America's help, that allows important countries like Brazil, Argentina and India to accept Gatt's competence in *this area but entails no* advance commitment on their part. Services are an important topic, certainly, but cannot be *allowed* to jeopardise the wider negotiation.

As they prepare their speeches, Gatt delegates will not understimate the danger of letting President Reagan lose his domestic battle.. They will *remember* that open trading is best defended by international rules that politicians can invoke *against unreasonable* domestic pressures. And if fair play is to be the issue, the Gatt is still the best umpire we have.

A consensus on non-proliferation

THE THIRD review conference of the signatories of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), which came into effect 15 years ago, has been more successful than was generally expected. In contrast *to what happened after* the last review conference in 1980, when it proved impossible to reach agreement on a *joint* final document, the meeting which ended in Geneva last weekend, managed to reach a consensus of sorts. That, in itself, is an achievement.

True, the consensus papers over a large number of cracks and makes it clear that some fundamental differences between the nuclear weapon states and their non-nuclear partners, most of them members of the neutral and non-aligned group of nations, have not been solved.

Exasperated by the failure of the nuclear weapon states to make any real progress towards nuclear disarmement, the non-nuclear states have become more and more dissatisfied wtih the NPT, to the point that some of them have even threatened not to renew it when it expires in 1995.

Agreements

Their main complaint is that the nuclear weapon states have not honoured the bargain which *forms one of the cornerstones* of the Treaty. Under the deal that was struck when the NPT *was negotiated, the non-nuclear* states agreed to forego the manufacture and acquisition of *nuclear weapons in return for a* firm undertaking by the nuclear powers actively to pursue negotiations on nuclear disarmament.

It can hardly be claimed that the nuclear powers have respected their side of the bargain. Since the early 1970s, three nuclear weapons agreements have been negotiated between the U.S. and the Soviet Union, but none o fthem has been ratified by the American Senate. At the same time, the number of nuclear warheads in the possession of the two super-powers has multipli

The displeasure of the non-nuclear *states was clearly noted* in the final document as was their desire to see the nuclear weapon states give "the highest priority" to the negotiation of a Comprehensive Test Ban Treaty (CTBT). Such a treaty was close to being concluded in 1980, but the negotiations broke down more for political than technical reasons.

Tht did not stop the U.S. and the UK *from arguing* throughout the Review Conference that *it was the inadequacy of present* verification technology which was preventing them from giv*ing the negotiation of a CTBT* the high priority the Soviet Union and most of the other sig*natory states believe it deserves.* However, the American and British arguments have been questioned on scientific grounds not only by the Soviet Union, but by several prominent Western non-nuclear nations such as Australia and Sweden.

The view that the U.S. does not want to call a halt to testing until it has completed tests on its next generation of nuclear weapons and on nuclear-fired laser weapons for its Star Wars project appears to contain more than a grain of truth

It is a measure of the importance *which* the 86 participants in the Geneva conference attached to the NPT that they *allowed* the wording of the final document to be sufficiently fudged to let the Western *nuclear powers* off the hook on the CTBT. In that respect, the timing of the Review Conference, only two *months before* the summit meeting between President Reagan and Mr Gorbachev, probably played an important role. The general hope is that, at their November summit, the U.S. and Soviet leaders will make sufficient progress at last to break the log-jam on nuclear disarmament.

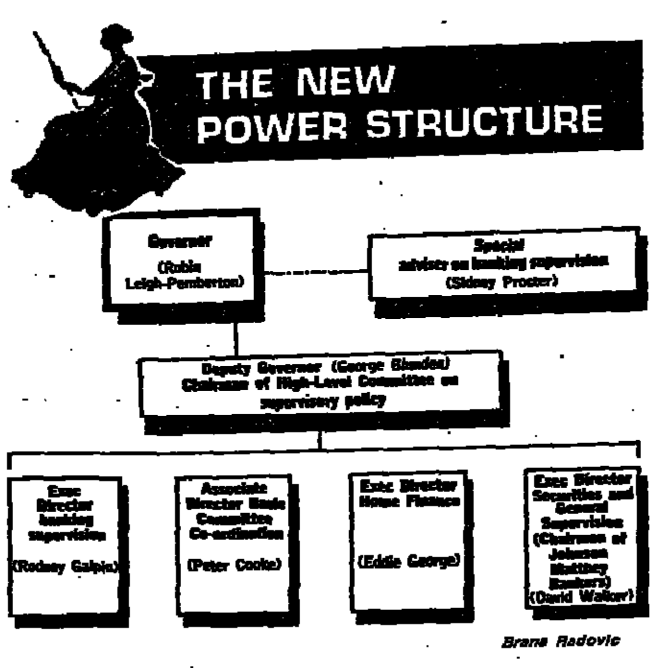
In other words, the non-*nuclear states have* given the nuclear powers one more chance torespect the bargain which is *at the root of the NPT*. At the same time, a strang signal has been sent out, not least to countries who stand on the threshhold of nuclear weapones capability, such as Argentina, Brazil, India, Pakistan, Israel and South Africa, that the 130 signatories *of the NPT intend* to persevere in their enterprise.

Since the Treaty came into force in 1970 it has played an essential role in halting the spread of nuclear weapons with only one additional country, India, exploding a nuclear explosive device in the *ensuing* 15 years. That is no mean result and one which needs to be carefully husbanded.

Bank of England changes

The Old Lady tries to shake off a ghost

By David Lascelles



Brana Radovic

Mr Robin Leigh-Pemberton (left), Mr Kit McMahon (centre) and Mr George Blunden (right)

IT HAS taken the Bank of England almost exactly a year *to try to correct* the failings so painfully exposed in its banking supervision by the collapse of Johnson Matthey Bankers at the end of last September.

Some will say that the delay shows the same lack of urgency which allowed the Bank to miss the huge loan losses of £250m run up by JMB—Britain's worst banking crisis in a decade.

But while the changes *announced* by Mr Robin Leigh-Pemberton, the Governor, yesterday are designed to prevent *a recurrence of that* nightmarish event, they go further than that. He has used the opportunity of *top-level changes* at Threadneedle Street to rejig the whole of the Bank's supervisory function to take account of the big changes caused by the City Revolution, which is drawing banks into the UK securities business. The hope is that this will repair some of the damage to its reputation since the JMB affair.

The surprise—and key—appointment is that of Mr George Blunden as successor to Mr Christopher McMahon, the deputy governor who is leaving to become chairman of the Midland Bank after being passed over for the governorship and being grazed by some of the political sniping over JMB.

Mr Blunden returns to the *Bank from semi-retirement with* impressive credentials and a reputation for a no-nonsense approach *dating back to the* days when he was brought in to sort out the UK secondary banking crisis as *head of banking* supervision in 1974-76. In his time, he has run almost every department of the Bank, though in intellectual stature and international experience, he is considered by bankers not to match up to Mr McMahon.

Whether he was proposed for the job by Downing Street, in whose hands the appointment lay, or put forward by the Bank itself was not clear yesterday. But he was obviously selected with a view both to adding force to the Bank's supervisory role, and helping it recover *some of its lost prestige. Judging* by the initial reaction of the City yesterday, he should do both.

The shadow of JMB looms over the changes

However, the choice is an *admission that the Bank does* not have anyone of sufficient calibre within its own ranks for what *is likely* to be an extremely demanding job, and at 62 he cannot have been the youngest person on the list. The word from within the Bank yesterday was that the most obvious candidates, the four executive directors, were all too good at the present jobs to be moved without causing disruption at a time when *the Bank is grappling* with great changes in the markets. Whether or not this reflects the delicate internal politics of the Bank, Mr Blunden's return must have caused some disappointment in the Bank's higher echelons.

The appointment triggers a reshuffling of duties among the directors, one of the effects *of which is* to reduce *the role of Mr Peter Cooke, the* associate director in charge of banking supervision.

His responsibility is narrowed to the specific task of running the Basle Committee, the forum where international banking supervisors meet and co-ordinate their activities. although this is a key job in the banking world (the committee, as it happens, was founded by Mr Blunden and now bears Mr Cooke's name), *and Mr Cooke is at the fore*front of efforts to reduce the risks of international banking, this must be seen at least as a sideways push, or even a demotion.

Mr Cooke's responsibilities for UK banking supervision *have ben transferred to Mr Rod*ney Galpin, the executive director who has been sorting out the *problems at Johnson Matthey* Bankers, and now emerges as the head of bank supervision.

With Mr Cooke's changed status and the departure of Mr McMahon, both of the men most directly in the JMB ring line have moved on. This is not how *the changes were presented yes*terday. Mr Leigh-Pemberton has asserted in the past that he saw no need for heads to roll and tributes paid yesterday both to Mr McMahon and Mr Cooke.

However, much of the controversy in which the Bank has been caught up since JMB stemmed from its apparent refusal to allocate specific blame *for the crisis.* Though yesterday's changes were all typical of the gentlemanly way the Bank conducts *its affairs*, the shadow of JMB loomed over them.

The centrepiece of the new structure unveiled yesterday is the high-level committee chaired by Mr Blunden which will pull together all the Bank's rapidly proliferating supervisory duties. It reflects growing concern in Threadneedle Street that the new financial creatures spawned by the City revolution, *large* and potentially highly risk-exposed as many of them are, should not escape the supervisors' watchful eye.

There are two worries: one is that groups dominated by banks—as most of them are—should not be vulnerable to damage from their non-banking *operations, particularly* in the securities market. This means that all facets of a financial conglomerate will have to be sunpervised, even if only part of it is a bank.

The other is that the Bank and other regulatory agencies like the Department of Trade and Industry and the Stock Exchange should co-ordinate their work so that there is no wasteful overlap, or worse, what the Bank calls "underlap": a company slipping through the regulatory net because each agency thinks *another* is responsible.

Much of this work will come under Mr Galpin, whose title of full executive director rather than, as Mr Cooke an associate director, *gives* banking supervision a more exalted status. The Banking Supervision Division, headed as *before* by Mr Brian Quinn, is being beefed up with additional staff. From about 100 now, its complement will rise to 120 next year, with secondees and advisers being brought in from outside. The Governor will also have as his special adviser *Mr Sidney* Procter, the chief executive of the Royal Bank of Scotland, who retires at the end of this month.

The gilt-edged division under *Mr* Eddie George, the executive director of home finance, will be responsible for keeping an eye on *what* is likely to be the most cut-throat of the new markets after Big Bang: the 29 primary dealers *in gilts*, as well as the stock exchange money brokers and the inter-dealer brokers. At the moment only four supervisors have been hired for this work which seems very little for a task that will generate a veritable mountain of statistics every working day; more may be taken on shortly.

Mr David Walker, the executive director who has been overseeing much of the City Revolution, particularly *on* the Stock Exchange and securities side, will have his responsibilities extended to include the chairmanship of Johnson Matthey Bankers, taking over from Mr Galpin. With the worst of its loan losses now accounted for, JMB is being dressed up for resale to the private sector sometime in the next year or so.

The new committee marks an important development for the Bank which until now has been mainly concerned with getting the City Revolution moving, and encouraging banks and securities firms to form alliances to meet foreign competition.

Its focus has now clearly shifted to the risks thrown up by all these momentous developments, most clearly enunciated in a seminal speech by Mr McMahon last week. Although this may cool the City's ardour somewhat, it may be reassuring to those people who had begun to feel the City Revolution was getting slightly out of hand.

A shift in focus to supervising the risks

The committee's other task will be to implement the whole series of changes that have been put forward to strengthen UK banking supervision in the wake of JMB. The Bank has received comments on its proposals to limit loan concentrations, improve reporting by banks and —most controversially—involve bank auditors in a dialogue with the supervisors. Next week, it gets down to discussing them with the British Bankers Association.

Much of what was set in motion yesterday would have been necessary to match the changing structure of UK financial services, *regardless of JMB*. But the little bullion bank may have done the Bank of England a service by forcing it to be more decisive than it might otherwise have been.

A NEW VOYAGE FOR THE 'LIFEBOAT' MAN

"HIS strength is his breadth," says a leading banker of George Blunden, the new Deputy Governor. "He is a career central banker of considerable distinction."

Mr Blunden joined the Bank of England in 1947, and *apart from a three-year spell* with the IMF in the 1950s remained there until he retired from executive duties last year. Even since then he has retained a directorship.

He is highly regarded for his competence and experience, but there is bound to be a slight question mark over his leadership qualities. "He is not a man who in his time has made a great impact," says another leading London *banker candidly*. Mr Blunden is not thought likely, for instance, to create the same kind of international reputation that Mr Kit McMahon has done.

For much of the latter part of his career he was swallowed up in the internal machinery of the Bank, holding posts like chief of management services and he *ended his executive career in* 1984 as director of operations and services.

However, Mr Blunden acquitted himself well when he emerged into the public spotlight in 1974 as head of the banking supervision department in the middle of the secondary banking crisis. He is remembered as a hard-*nosed supervisor* who took on the *enormous* responsibility of managing the Lifeboat rescue operation and who laid the foundations of a strengthened role for the Bank of Englan

And in 1975 he moved on to the international scene to head the so-called Blunden Committee of banking supervisors based in Basle under *the auspices of the* Bank of International Settlements. He held the chairmanship until 1977.

His experience in this area has now become highly relevant again. "There is a hell of a lot to be done on the supervisory side in the next couple of years and putting George in charge makes a good deal of sense," is the judgment of someone who regularly came into contact with him on the Lifeboat committee.

Those who know him say that he lacks the intellectual distinction of some of the executive directors who will sit on his new supervisory committee, but makes up for it with experience and deter*mination. "He takes a tough* attitude when a tough attitude is required," is one comment.

His age is not thought to be a problem. "He has continued to be very much resident in the Bank and active there. He is a very lively 62," says a fellow director of the Bank.

Barry Riley

Men and Matters

Culture shock for STC

Lord Keith, who recently took *over as chairman of STC* following the departure of Sir Kenneth Corfield, has already made *clear his distaste for the* high salaries, perks, and other luxuries to which STC executives had become accustomed. In picking Arthur Walsh, head of GEC-Marconi, to be STC's new chief executive, the hope presumably is that a touch of Weinstockian austerity will be brought to bear on STC's affairs.

Certainly, the 59-year-old Walsh should have had plenty of experience of Lord Wein*stock's management style. After* reading natural sciences at Cambridge, Walsh joined GEC *Laboratories in 1951 and has* spent all his working life with the group. He ran Marconi *Space and Defence Systems* for 11 years before becoming managing director of Marconi *itself* in 1981.

The obvious question is whether the narrowness of his business experience — in a subsidiary of a public company and with a heavy bias towards defence contracting—is entirely appropriate for a company like STC, whose interests span a broad range of highly competitive civilian markets.

It will be an interesting test of the transferability of the GEC culture to a company which for many years was run according to the very different management principles of the legendary Harold Geneen, chairman of ITT.

Staying power

The days of the Greater London *Council may be numbered* but the GLC Staff Association has no intention of following the authority into extinction next year.

On the contrary, the 16,000-strong TUC-affiliated trade union reckons it can survive and prosper and, from October 1, is changing its name to befit a GLC-less future.

By *deftly dropping* the "council" part of its title, the 76-year-old union will break *free from the doomed authority.* The Greater London Staff Association, as it will be known, will continue to organise white-collar staff of the Inner London Education Authority and the joint boards *which will* take over certain GLC functions.

Derek Small, an assistant secretary of the union, believes it will retain at least half its present membership and will remain a *viable, if streamlined*, organisation.

If it does not, then the larger local government union Nalgo will doubtless be more than willing to assist with a takeover. Small says inscrutably: "I would not at this moment see that the impending abolition has made any closer link with Nalgo more or less likely."

RMC's new mix

Threatened by *Spanish imports*, the British cement companies have been trying hard to hold down prices and *keep their* market happy. A 4 per cent rise in July was their first increase for three years.

The new man in the managing director's chair at the RMC group, Precel James Owen, aged 55, frankly owns that his *horizons will* be well beyond the UK market with its special pressures and problems.

As the RMC executive responsible for the development of the group's interests in the U.S. (as well as for concrete sales at home) he has been *building up the group's U.S.* business by the acquisition of small companies.

The U.S. operation of RMC now accounts for around 10 per cent of the £1.2bn turnover. Owen has his eye upon further growth there.

He *says*, "Up to now the five profit centres we have in the U.S. have been run by Ameri*cans and report back to me.*" The growth in the business indicates that structural changes in *the management could be* on the way.

"We tend to buy small businesses and build them up," he says. "It is a policy we are well satisfied with."

Owen went to grammar school in Wales and has worked for RMC for 31 years. His further education, he says kindly was "RMC and reading the FT."

He succeeds John Camden, aged 60, who is currently chairman and group managing director, and who will continue as executive chairman.

Oldest company

Bo Berggren, *chief executive* of Stora, Sweden's biggest paper-producing group, is anxious to get a small point cleared up before 1988 when the group will be celebrating its 700th anniversary.

A document of 1288, recording that Bishop Peter of Vaesteras acquired a one-eighth share in the Falun copper mine, in Dalacarlia, makes it highly probable, says Berggren, that Stora is the *world's oldest company still in* operation.

The Falun mine was the backbone of Stora's business until the beginning of this century and, at some periods in Sweden's history, accounted for as much as 60 per cent of *the country's gross national* product.

Berggren's problem is that the Guinness Book of Records has yet to be convinced that Stora really is the world's oldest company. The Swedish edition lists it as such, but the UK edition gives that place to the *Faversham Oyster Fishery* company, referred to in a 1930 Act as existing "from time immemorial" which Guinness dates as pre-1189.

Berggren reckons the Faversham company was actually founded in the 14th century—"and besides, we have been unable to discover any evidence that it still exists. We think it probably ceased to function in the 1940s."

A little more fishing around *yesterday* failed to find any trace of Faversham. Does anyone out there know what *happened to it?*

Political arts

Ed Rollins, one of President Reagan's re-election campaign *managers*, has been passing on some tips to the centrist French Republican Party on how to win seats from the *Socialist Government* in next year's elections.

Television appearances were *crucial, he said. Good looks* were helpful but the key lay in simplicity and the ability to avoid difficult questions.

"Don't think you have to answer all questions. If they ask you if you beat your wife, don't answer, just talk about what a wonderful woman she is," Rollins advised.

Nor should television slots be filled with talk of foreign policy. "People want to know about the economy—what you are going to do to put more money in their pockets or give them more vacation time. These are the real life-or-death issues. Save the nuclear freeze and Greenpeace until after you'rs *elected.*"

Do you get that sinking feeling?

Travellers' tales

Executive Travel magazine's annual airline award contest *brought many tales of woe from* businessmen voters.

One passenger on an aircraft waiting to leave Bangladesh for Heathrow wondered why the crew ignored the hysterical hammering from outside.

Eventually the door was opened—and the pilot got in.

Observer

ECONOMIC VIEWPOINT

Don't expect lower U.S. deficit

By Samuel Brittan

WHATEVER else may be thought of President Ronald Reagan, he has shown courage on the trade front.

In a little publicised interview a week ago there occurred the following exchange:

Question: If the Congress gives you a trade protectionist bill, having either a tariff or a surcharge or some other name, will you veto it? (There are over 300 such Bills.)

President Reagan: I'll have to. That's one of the advantages of being my age. I was looking for work in the great depression, and I know what the Smoot-Hawley bill did, the trade war—the world trade war—that it created. There is no way that we can win.

The pragmatists in the White House managed to tone down the free trade sentiments in the President's major trade statement last Monday, even though the threat of veto was reinserted at the last moment.

But apart from trying to help the President to frighten Congress, what else did the five finance minister agree in New York?

The individual country statements mostly reiterate familiar policies. The nearest to a concession are the Japanese hints about increasing local government spending and taking more account of the need to raise the yen in its monetary policy. How much they are worth remains to be seen.

Putting a curb on the President

As far as policy is concerned, the only section that matters is the final paragraph 18 of the main communique. Here we find the central bankers calling for some "further orderly appreciation of the non-dollar currencies" i.e. a dollar devaluation. Here, too, is the statement in central bankspeak that they "stand ready to cooperate more closely to encourage this, when to do so would be helpful."

The markets were intended to decode these words as a threat of more intervention against the dollar, with the U.S. for the first time participating fully and enthusiastically. The dollar was duly marked down on Monday. But despite some modest intervention by central banks (including the Fed) the foreign exchange market then became reluctant to mark the dollar further, as if to demonstrate that words and token action will not be enough. The central banks would have to show that they mean business in committing their reserve to the fray.

The wider implications of the drive to lower the dollar have been a cause of much confusion. The key points seem to me:

1: Even heavy intervention will have to be supported by a relative easing of U.S. monetary policy which is not imitated by Europe and Japan.

2: A lower dollar will do little to reduce the U.S. trade deficit without a reduction in the Budget deficit or other moves to increase American domestic savings.

3: It might, nevertheless, stimulate the U.S. economy via the traded goods sector and thus help reduce protectionist pressures and maintain world economic recovery.

4: This kind of stimulus carries an inflationary risk to the U.S., which is, nevertheless, a lesser evil than any politically available alternative.

5: The UK could have a heaven-sent opportunity to achieve the previously unobtainable goal of a higher pound against the dollar and a lower pound against the D-mark.

To go more slowly through some of these points:

Intervention has never been enough on its own to change currency values in defiance of market sentiment. Wisely timed intervention can be helpful in a speculative bubble when people are buying a currency mainly because they think it will rise further tomorrow or next week. It can also be helpful if market views are weakly held and currency holders are responsive to a steer from authority.

The best test for intervention still is whether it makes profits or losses. The difficulties of measuring foreign exchange profits by central banks are not inherently different from those of international corporations which somehow cope.

More important is the probability that intervention will not take the dollar to any place very different from where it was likely to go anyway, unless it is backed by other policies.

The underlying change that most observers want — fresh action to cut the U.S. budget deficit—will not occur.

WORLD CURRENT BALANCES

	$bn 1982	1985*	1986†
U.S.	− 7 (−0.3)	−120 (−3.1)	−145 (−3.5)
Japan	8 (0.6)	39 (3.2)	48 (3.7)
W. Germany	3 (0.5)	12 (2.1)	19 (2.0)
Total OECD	−28	− 72	− 74
OPEC	−15	− 4	− 4
Dev. Countries	−64	− 29	− 33
Others	8	8	4
Total	−99	− 97	−107

Figures in brackets are percentages of GNP. "Total" represents errors and omissions

* Estimate † Forecast

Source: OECD

Although the five power communique makes the usual remark that budget deficits should be reduced "where they are too high," President Reagan still refuses to budge on the three crucial points of no tax increases and no military or social security cuts.

The Administration hopes that the fiscal package already enacted will reduce the Budget deficit by 1 per cent of GNP in 1986 and more in future years. But nothing has been said to allay the scepticism of the Congressional Budget Office and other fiscal students.

The best hope is that the U.S. structural budget deficit will be stabilised at around $200bn and will thus gradually fall as a proportion of a growing national product. In addition, there are various developments which could lead to a higher private savings Bill or a lower trend of investment. This is all very long-term.

Where early macroeconomic action is much more likely is in monetary policy. The British Chancellor has said that he does not expect U.S. interest rates to rise. This is a minimum requirement.

If the package is to work, the Fed will have to prevent interest rates rising, when purely domestic considerations—such as faster economic growth or concern over an above-target rise of the money supply—might have pushed them upwards. In addition, the Fed will have to let interest rates fall further and more quickly than they otherwise would have done in the face of recession or slow growth. No wonder Paul Volcker is reported to be not too keen on the whole package.

A dollar rate objective—however conditional, vague or secretive—means that the Fed must adjust monetary policy in the light of what is happening in the foreign exchange markets, but it also calls for responses by the other central banks to maintain the new relativities. In other words, European and Japanese nominal interest rates should, if they fall at all, fall less than American ones.

Central bank intervention to depress the dollar has the automatic effect of easing monetary policy in the U.S. and tightening it in Europe and Japan. The point of "unsterilised intervention" is to allow these automatic shifts in the rigt direction to occur. If Europe and Japan find the resulting policy tightening undesirable, they should offset it by fiscal easing, that is tax cuts.

The UK is a partial exception, because it has on a smaller scale a problem of an uncompetitively high exchange rate against Europe and Japan, similar to the problem which the U.S. has had against the world as a whole. If sterling rises against the dollar it can fall against the D-mark and yen without reducing the trade-weighted sterling index which plays such a large part in setting UK monetary policy. A fall in UK interest rates might thus be both necessary and desirable to bring this about.

But fences have to be taken one at a time. The five finance ministers first have to see how successful they have been in levering the dollar down before they can give a green light for the Bank of England to strike out on its own. The Treasury and Bank have also to look out for other influences on sterling—for instance, the oil market. Policy cannot be made by instant reaction to Sir Terence Beckett's television calls for a competitive pound.

But above all, we must be aware that a lower nominal exchange rate for the dollar will not itself do much to reduce the U.S. current account deficit—ie its deficit on trade and services. The U.S. deficit is smaller than it appears and Japanese and West German surpluses larger, because of under-recording by balance of payments statisticians which produces a nonsensical $100bn per annum current deficit for the world as a whole. Nevertheless, a pretty large inbalance remains. It reflects a big Japanese surplus of savings over investments and a large U.S. savings deficiency, which the budget deficit does so much to aggravate.

The correct proposition about the U.S. Budget deficit is that it is associated with a *current account payments deficit*, not necessarily with a high dollar. To see the truth of this one has only to recall what happens when a country like France increases its budget deficit. The result is normally a current payments deficit accompanied by strong *downwards* pressure on the franc.

A current deficit has, by definition, to be financed from overseas. But whether the finance is available at a higher or lower exchange rate depends on investors' expectations and on the monetary policy of the deficit country.

A lower dollar can stimulate the production of exports and import substitutes in the U.S. In that case it will promote savings indirectly by boosting agregate output and employment. But this effect is likely to be small in relation to the total payments deficit. If protectionist pressure is to be held at bay it is important that policy is judged by reference to its growth and output and not by the trade deficit per se. It is also important that the inflationary risk be faced.

The rapid rise in the dollar made U.S. inflation fall unusually quickly in 1981-84, by putting downward pressure on prices and wages in the traded sector which radiated outwards. Similarly, a falling dollar could add to inflation.

At last, a chance for the pound

The weakness of world commodity prices makes the present the best possible time to run the risk. But risk there is.

It is far from extreme to suggest that a fall in the dollar to say DM 2.4 to 2.5 could push the U.S. inflation rate from 3 per cent to 5 or 6 per cent, whether temporarily or not.

Such a risk is a second best to tackling the structural U.S. Budget deficit, but it is far better than protection. Only do not pretend it is not there.

Lombard

A grand strategy that fell apart

By Richard Lambert

IT MUST have been one of the most carefully researched takeovers of all time. The homework lasted for two years, and included an intensive study of some 18 countries and over 1,000 different market sectors. Economic trends and political risks were carefully analysed. Consulting companies like Booz Allen were hired to help sift through the mountains of data and give advice. The humble corporate planning department was revamped into a smart new "group strategy centre."

And yet for all this effort, the Imperial Group's acquisition in 1980 of Howard Johnson, the U.S. restaurant and motel chain, turned out to be one of the world's worst takeovers. Imps finally announced this week that after a year of trying it has at last found a buyer for this corporate disaster area—but only at a knock-down price. The cost will be £127m in terms of shareholders' funds, not to mention any number of management grey hairs. What went wrong?

The first clues might have been spotted at the glossy presentation which Imps gave at the time of the deal. Young Mr Johnson was there, wearing the slightly stunned smile of one who had just stubbed his toe on a crock of gold. The bid was worth nearly twice HoJo's previous stock market price, but Imps loftily dismissed such short term considerations. "In Howard Johnson," an Imps spokesman said, "We are dealing with the next decade—and the one after that."

The trouble was that in reality HoJo's golden decade was probably nearer 1960 than 1990. Carried away with its grand strategic plans, Imps had forgotten a basic rule of the used car lot: never mind the paintwork, just give the tyres a good kick. All that expensive research had not told Imps what it might have picked up for the price of a Big Mac hamburger. HoJo's restaurants were, to an increasing extent, selling the wrong things in the wrong places to the wrong people.

Imps went about the takeover the wrong way around, like someone walking into a department store with money burning a hole in his pocket and no firm views about what to spend it on. It started off with a big pile of cash, which was the result of selling off large trade investments like its shareholding in BAT. It then looked for a Concept, with a capital C. The idea of getting value for money seems to have come some way down its list of priorities.

This is not just a matter of hindsight. Wall Street arbitrageurs simply could not believe that Imps would really be so generous. They took to phoning up journalists, bankers and brokers at every possible moment to check that the rainbow had not disappeared.

Harold Geneen, the formidable takeover artist who built up ITT, would sometimes buy a company after only a 10 or 20 minute inspection of the books. It was just a matter of checking the numbers against the asking price. The thing to watch out for, he would say, was managers who saw themselves as grand strategists—people who "could sit in a room and think they could see what would happen 20 years ahead." The view was glorious, but the trouble was that everyone else could see it too. The result would be either that the price of the strategy was too high or the competition too intense.

A company might be justified in paying a very high price for an acquisition if it fits in closely with its existing business. The marriage value of adding the extra activity might be substantial, and the chances of finding skeletons in the cupboard should be significantly reduced.

If, on the other hand, a company wants to diversify by means of an acquisition, it had better pay attention to the price. Successful conglomerates like Hanson or BTR do not spend a lot of time thinking about the geopolitical risks of torch batteries or gravel pits. But they do like to make sure they are picking up solid assets at favourable prices.

The conclusion from Imp's painful experience may simply be this. If you have to hire a consultant to tell you what to acquire, you may do better to stick the money in the Post Office.

Letters to the Editor

Conservative compassion

From Mr R. Shaw

Sir,—One reads with dismay your correspondent's report (September 23) of "growing disenchantment with Mrs Margaret Thatcher's style of leadership" shown by constituency party motions calling for more clear reflection of "the compassionate side of the Conservative Party."

Not since Disraeli has the country had a leader with such real compassion for the future of Britain and its people as the present Prime Minister who has had the courage to ask the country to accept the hard discipline of productive work and fiscal responsibility. At the same time, she has asked her party to be brave enough to ignore the easy path to popularity of buying votes by artificial job creation and subsidies which only temporarily hide the reality of our need to build a lasting viable economy for all the country.

Her opponents, Labour, Liberal and SDP, cheapen themselves by their jibes about her lack of caring or insensitivity. In fact her care and concern are measured by her bravery in seeking to bring about a permanent state of well being for all — to replace the stop-gap welfare state which has diminished Britain for the last 40 years.

Sadly, the City of London too often supports the short-term views of parties to the left, preferring quick cash profits to the creation of the lasting infrastructure which could rebuild Britain for the benefit of future generations. Would that the City could forsake its golden hellos, goodbyes and bangs to show the same compassion for Britain which so manifestly motivates the Prime Minister.

Roland C. Shaw.
23, Lower Belgrave Street, S.W.1.

Sparkling success

From the Sales and Marketing Manager, Highland Spring

Sir, — It was fascinating to read of Thames Water Authority's sparkling success (Men and Matters, September 24 1985). Really the extraordinary value for money portrayed conceals hidden additional "benefits" for the consumer — high values of additional minerals, notably nitrates from fertilisers.

Even if the agricultural process was to be changed now, the build up of nitrates in drinking water will continue from the fertilisers already present in the soil.

The informed reader should refer to the 1983 Royal Society group report: "The nitrogen cycle of the United Kingdom" which projects nitrate concentrations in Thames water at Walton as a matter of concern (page 134). Cross-reference should be made to the World Health Organisation safety limit on nitrates.

Commercially, too, Thames Water, despite its new sparkling chlorine-free taste could not be water in the 1985 regulations, so we British producers have little to fear!

S. Young.
Blackford, Perthshire.

Exchange control

From Mr L. Jackson

Sir,—Mr Hattersley's renewed advocacy of a National Investment Bank funded by repatriational funds (your report September 20) raises a number of questions.

The UK abolished exchange controls in 1979, to comply with Community rules on freedom of capital movements. Penal fiscal inducements to reverse or discourage investment abroad would certainly offend against the spirit of the rules. A retrospective step for a party now committed to continued EEC membership!

Pension funds and building societies switch funds rapidly to centres where higher interest rates prevail. If this source of profit were removed or penalised, pensions would cost more or become smaller and mortgages could be expected to become dearer. This would be to everyone's disadvantage. It looks more like a shot in the foot than a shot in the arm for a future Labour Government.

I find it slightly disturbing that Mr Hattersley appears to be obsessively concerned with outflows and ignores inflows. The trick is, of course, to try to balance them. In the early 1970s, for example, exchange control restrictions were imposed on inflows. There appears to be no calamitous shortage of capital for viable projects in the UK to justify calling in investments abroad—a crisis strategy. There is a large amount of foreign investment in British industry. The outflow of funds reduces the UK's net indebtedness to outside countries and, incidentally, brings in foreign currency earnings.

Mr Hattersley is reported as saying that repatriation of institutional funds would strengthen sterling. It is worth reflecting that the rate of exchange is a price tag put on our currency by foreign holders of sterling—a market rate.

Apart from oil and a strong dollar, the single factor most affecting the level of exchange rates is world confidence in particular economies. The prospect of a Labour Government, with a more inflationary posture and a "Little England" economic profile, might well lead foreign holders to switch out of sterling and so render discussion of exchange rates and interest levels academic.

Leonard A. Jackson.
Stable Cottage, Speldhurst Road, Langton Green, Kent.

Tit-for-tat with spies

From Dr I. McLean,

Sir,—Ian Davidson (September 23) rightly draws attention to Robert Alexrod's important work on the strategy of tit-for-tat in repeated prisoners' dilemma games in connection with the expulsions in London and Moscow. Axelrod, however, does not claim as much as Ian Davidson attributes to him, nor are all his claims as strong as they look.

Tit-for-tat is not the best bargaining strategy there is, *tout court*. It is the best provided that most other players are also conditionally prepared to cooperate, that everybody's discount rate is low enough, and that the games are continuing into the indefinite future. If one or more of these conditions does not apply, the strategy always defect beats tit-for-tat. Always defect obviously defects on the first move, where tit-for-tat co-operates and therefore does worse.

Tit-for-tat involves the risk of parties getting locked into cycles of mutual retaliation started by mistake or miscalculation. It is one thing to announce in advance, "If you ever expel any of our 'spies,' we will expel the same number of your spies in the hope that the other will be deterred from expelling any. It is quite another to decide what to do if deterrence has failed. If you regard your decision as the latest move in an ongoing game you should defect; if re regard it as the first of a new sequence you should co-operate. Tit-for-tat, as Axelrod presents it, is time-inconsistent.

The Axelrod model is, as Ian Davidson says, far too simple. The brute fact that there were more of them than of us forced Mrs Thatcher to back down. That is not a new-fangled Prisoners Dilemma super game: it is an old fashioned poker game between the rich and the poor.

Dr I. S. McLean.
University College, Oxfrod.

Abolition of Serps

From Mr T. Arthur

Sir,—One reason why it appears that so few people wish to join the Fowler bandwagon (Michael Prowse, September 20) is that the media have produced distorted reports of the major responses to the Green Paper. For example, contrary to suggestions in at least one of last week's headlines, neither the Institute of Actuaries nor the National Association of Pension Funds has argued in favour of retaining the state earnings related pension scheme (Serps). Mr Fowler has more friends than even he may realise.

Most reports have failed to distinguish between criticism of Serps' abolition on the one hand and its proposed replacement on the other. The media's earlier euphoria about personal pensions has disappeared (could it be because the false premise underlying the appeal of personal pensions has been recognised for what it is?); thus because the replacement is disliked, so is the abolition. Yet Serps can hardly be said to be a major part of the "half-a-century of progress" which people feel is being "imperilled:" there was no Serps until 1978.

The only argument for abolishing Serps given any attention by Mr Prowse relates to its projected costs over the next 50 years. Here the Green Paper used "sleight of hand" in failing to express costs relative to likely GDP. Perhaps it did, but insignificant growth in costs is still growth; a major purpose of the Government was (avowedly) to make large reductions in public expenditure (so far the opposite has occurred).

The real argument against Serps has little to do with projected levels of expenditure on certain dubious assumptions as to growth. The simple fact is that Serps has always been a nonsense. In both its contracted-in and contracted-out forms, it is little more than a fiendishly complicated version of the old trick (pulled repeatedly since the last world war) of writing cheques in favour of this generation on the bank account of the next one. If that dishonesty must continue, then at least it should do so under a guise which is simpler to understand, cheaper to operate and contains fewer other cross-subsidies than Serps. Index-linked gilts look models of virtue by comparison!

T. G. Arthur,
40-43 Chancery Lane, WC2.

FINANCIAL TIMES
Thursday September 26 1985

$6bn loan for Philip Morris fuels bid speculation

By Michael Duggan in London and William Hall in New York

PHILIP MORRIS, the U.S. tobacco group, began arranging a $6bn loan in the international capital markets as speculation intensified on Wall Street yesterday that it had already made a secret bid for General Foods.

European bankers said yesterday that they had been telexed by Citicorp, the New York investement bank, seeking their participation in a four-year revolving credit facility being put together for Philip Morris. The loan carries several different pricing options but is basically offering ⅛ percentage point spread over a choice of either London interbank offered rates (Libor) or U.S. certificate of deposit rates. Citibank NA is the agent for the loan, which will be in the form of a four-year bullet.

The proceeds of the revolving credit facility will be used for general corporate purposes "including the acquisition of shares or assets of another corporation through a tender offer of other means". Philip Morris might also use the proceeds to buy back some of its own shares.

Philip Morris refused to confirm yesterday that it was raising a $6bn loan and Citibank also declined to comment. General Foods, which on Tuesday announced that it had received an "unsolicited telephone proposal to negotiate for the purchase of its outstanding shares at a premium over current market value," refused to confirm or deny that Philip Morris was the mystery suitor.

However, shares in the packaged foods group continued to rise sharply on Wall Street in heavy trading yesterday as speculation mounted that Philip Morris was poised to announce its bid. General Foods shares, which had jumped by $16⅝ to $101½ on Tuesday, had risen by another $3 to 104½ by early yesterday afternoon, valuing the company at $4.9bn.

Philip Morris shares fell by another $2⅛ to $74⅜ early yesterday, within a dollar of their year's low point.

The combination of Philip Morris and General Foods would create the biggest consumer products group in the U.S. with annual sales of $22bn and earnings of $1.2bn.

Imperial may join bid for Allied-Lyons

By Martin Dickson in London

IMPERIAL GROUP, the tobacco and brewing conglomerate, is considering an invitation to join Elders IXL's proposed consortium bid for Allied-Lyons, the large British food and drinks company.

Imperial disclosed that yesterday, 24 hours after announcing an agreement to sell Howard Johnson, its troubled U.S. hotel and restaurant business, to Marriott, the American hotels chain, for $314m. The disposal of Howard Johnson gives it the freedom to embark on big new acquisitions.

Elders, an Australian pastoral, trading and brewing group, is about a quarter of the size of Allied and is trying to enlist partners to launch a consortium bid for it. In particular, it is seeking potential buyers for Allied's food division, J. Lyons. Market speculation has suggested it could fetch £600m ($860m) or more.

Imperial, in reviewing acquisition possibilities, is believed recently to have run its eyes over many food companies, although not Lyons.

However, it has now been approached by Hill Samuel, Elders' merchant bank adviser, to see if it is interested in joining the consortium and it is now taking a closer look at Lyons.

The statement produced a sharp rise in Allied's share price, which closed at 283p, up 16p on the day. Imperial rose 3p to 189p.

London's Takeover Panel has given Elders until October 17 to clarify its intentions.

China opts for further freedoms in economy

BY ROBERT THOMSON IN PEKING

FURTHER relaxation of central control, the promotion of individual enterprise and an expansion of foreign trade contacts emerged yesterday as the three main planks to China's seventh five-year plan.

The full version of the draft proposals to take effect from next year were released yesterday and showed that the Chinese leadership is aiming for a freer marketplace and greatly reduced government intervention in the management of enterprises.

Premier Zhao Ziyang said in a speech introducing the proposals, which were approved by the national Communist Party conference which has just ended, that China's economy has reached a turning point in its development.

"From here on," he said, "the economy will gradually shift from meeting people's basic needs to enhancing the quality of their lives, so that by the end of this century the Chinese people will achieve a relatively comfortable standard of living."

Zhao Ziyang

However, both Zhao and the proposals themselves, which will be fleshed out in coming months, indicated that serious economic problems have arisen in the past year.

Zhao said: "In the fourth quarter of last year a number of problems arose, such as an excessive rate of growth of industrial production, excessive investment in fixed assets, over-expansion of credit and consumption funds, sharp increases in commodity funds and a drop in state foreign currency reserves."

Zhao, aware of the effects on business confidence at home and abroad of sudden policy changes, called for a "gradual solution of existing problems" in the next "two years or so" rather than "concentrating our efforts in the second half of this year," or "slamming on the brakes."

A continuing question will be how the leadership's plans might be compromised by those problems. Already problems with poor provincial management have forced central authorities to take back some of the autonomy previously granted to the provinces and the slump in foreign exchange reserves has led to tighter controls on the use of foreign exchange.

This week's critical speech by senior Politburo official Chen Yun clearly pointed to the existence of a conservative, more ideological faction within the party; albeit of limited strength. Its presence, however, will keep pressure on the present leadership and its pragmatic policies.

Marconi managing director to become STC chief executive

BY GUY DE JONQUIERES IN LONDON

MR ARTHUR WALSH, managing director of GEC-Marconi, is to become chief executive of STC, the troubled British telecommunications and computer company.

The appointment ends a six-week search which was triggered by the sudden resignation last month of Sir Kenneth Corfield as STC's chairman and chief executive.

Mr Walsh, aged 59, is a main board director of GEC and has worked for the company for 34 years. He became managing director of its Marconi group of companies, which includes most of its extensive defence businesses, in 1982.

Mr Walsh takes over on Monday at STC where Lord Keith of Castleacre, formerly a non-executive director, has been acting as chairman and chief executive. Lord Keith is expected to remain chairman.

GEC said it may use the opportunity of Mr Walsh's departure to reorganise some of its operations. Mr Walsh's resignation coincided with "a re-examination of the organisation and structure of certain parts of the group," and it planned to announce details shortly.

Response in the City of London where Mr Walsh is not widely known was mixed. Many analysts regard his main strength as applying steady financial and management control to a solid established business, rather than instituting a radical reorganisation of a troubled company.

Several analysts also pointed out that most of Mr Walsh's career with GEC has been spent dealing with government customers. However, one of STC's biggest challenges is how to adjust to the loss of secure public orders from British Telecom, on which it has relied heavily in the past.

STC has conceded that its marketing presence outside the public sector is weak. Its £410m ($586m) purchase last year of ICL, the only British mainframe computer manufacturer, was intended to help it find new customers in competitive markets.

STC would not disclose Mr Walsh's salary, although it said it would be below the £297,000 paid to Sir Kenneth Corfield last year.

STC plans to dispose of a number of marginal businesses after reporting a £8.7m attributable loss in the six months ended June 30. It has omitted its interim dividend and hopes to save at least £70m a year through further cost-cutting.

STC also appointed two non-executive directors yesterday. They are Mr George Dunkerley, who will shortly retire as deputy senior UK partner of accountants Peat Marwick, and Mr John Robb, chairman of Beecham Products.

The appointments have been approved by ITT of the U.S. which owns 24 per cent of STC.

Finnish paper group may build UK mill

BY OLLI VIRTANEN IN HELSINKI AND *MARK MEREDITH IN EDINBURGH*

KAUKAS, a leading Finnish forest products company, will decide by the end of the year whether to build a new integrated pulp and paper mill in Scotland at a cost of about £100m ($143m).

The mill would produce 150,000 tonnes of magazine paper a year and be the third major foreign paper mill project in the UK in the 1980s and the second from Finland.

The forest industry in Scotland has been trying hard in recent years to attract foreign paper companies to invest in the country and make use of its extensive timber resources.

No comment was available yesterday from the UK Government, with which Kaukas has been holding talks on development assistance. Maximum grants for setting up in development areas were cut last year from 22 per cent to 15 per cent.

The Highlands and Islands Development Board (HIDB) said Kaukas was interested in setting up a plant in Scotland, though a decision had yet to be made. No agreement on grants had yet been reached.

The HIDB is the aid dispensing body for the Highlands and a member of the Scottish Forest Product Development Group, which with the Scottish Development Agency, the Forestry Commission and private forest owners, has been trying to find downstream industries for Scotland's maturing forests.

Kaukas said it would make its own pulp from local timber, if it went ahead with the Scottish plant and buy in chemically-produced pulp – also used in magazine paper – from the world market. It did not mention job numbers, but these could total at least 200 people directly and more than 1,000 in supply and service industries.

The company, based at Lappeenranta, in south-east Finland, makes lightweight coated (LWC) magazine paper on two machines at its main plant. It has also been looking at expansion possibilities in Finland and elsewhere.

United Paper Mills, also based in Finland, recently opened a new £135m pulp and newsprint plant in Shotton, North Wales. Canada's Consolidated Bathurst has a newsprint plant at Ellesmere Port in Cheshire on the site of a former Bowater mill.

Confidence in the Scottish industry was hurt by Wiggins Teape's decision in 1980 to close its pulp mill near Fort William, though a paper mill still operates there.

Among sites mooted for the proposed Kaukas plant are areas near Glasgow, Dundee, Arbroath, and Inverness, as well as Fort William. Arthur D. Little, the U.S. consultancy firm, in a report for the Scottish paper industry, identified several investment prospects based on local timber.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	26	79	Dubrovnik	S	26	79	Malaga	S	27	81	Salzburg	F	22	72
Akrotiri	S	28	82	Faro	S	26	79	Malta	S	29	84	Seoul	S	20	68
Algiers	S	27	81	Florence	S	26	79	Manila	C	33	91	Singapore	F	30	86
Amsterdam	C	18	64	Frankfurt	S	19	66	Miami	C	30	86	Stockholm	F	9	48
Athens	S	30	86	Funchal	S	25	77	Milan	S	27	81	Strasbourg	F	22	72
Bahrain	S	35	95	Geneva	S	23	73	Moscow	C	8	46	Sydney	S	26	79
Bangkok	S	31	88	Gibraltar	F	25	77	Munich	S	22	72	Taipei	C	27	81
Barcelona	F	24	75	Guernsey	C	18	64	Nairobi	F	27	81	Tangier	S	28	82
Beirut	S	29	84	Helsinki	F	9	48	Naples	S	27	81	Tehran	—	—	—
Belgrade	S	27	81	H. Kong	C	26	79	New Delhi	S	28	82	Tel Aviv	S	29	84
Berlin	C	16	61	Innsbruck	F	23	73	New York	C	24	75	Tenerife	S	27	81
Biarritz	C	21	70	Inverness	F	12	54	Nice	S	25	77	Tokyo	C	22	72
Blackpool	C	17	63	Istanbul	S	25	77	Oporto	S	21	70	Toronto	C	16	61
Bordeaux	S	23	73	Jersey	F	20	68	Oslo	S	13	55	Tunis	S	29	84
Brussels	S	18	64	Jo'burg	S	28	82	Paris	S	21	70	Valencia	S	28	82
Budapest	S	23	73	Las Palmas	S	27	81	Prague	S	18	66	Venice	S	24	75
B. Aires	C	19	66	Lima	C	19	66	Reykjavik	R	9	48	Vienna	S	22	72
Cairo	S	33	91	Lisbon	S	22	72	Rio de J'o	C	28	82	Warsaw	C	14	57
Cape Town	F	16	61	Locarno	S	24	75	Rome	S	26	79	Zurich	S	23	73
Caracas	C	30	86	London	S	19	66								
Casablanca	F	24	75	Los Angeles	C	35	95								
Copenhagen	F	13	55	Luxembourg	F	17	63								
Corfu	—	—	—	Madrid	S	26	79								
Dublin	C	17	63	Majorca	D	21	70								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Pretoria sanctions

Continued from Page 1

ners it had, in fact, been ahead of them in acting to signal its disapproval of apartheid, the officials said.

This meant that all Britain had to do to join its partners was to recall the two attaches, a colonel and a group captain, "until further notice."

● The Belgian Government yesterday asked South Africa to withdraw its military attache from Brussels, AP reports from Brussels.

The action aimed at emphasising Belgium's opposition to South Africa's apartheid system.

Bid to bolster UK banking supervision

Continued from Page 1

He appears to have been chosen in preference to one of the Bank's own staff because of the need for a figure with an established reputation in banking supervision. The choice was also said to reflect Mr Leigh-Pemberton's feeling that it would be difficult to move any of his executive directors out of their posts while the financial markets are undergoing profound changes.

The initial reaction among bankers last night was that Mr Blunden would help to restore some of the authority the Bank has lost since the JMB crisis, but that his international experience and intellectual range were less extensive than Mr McMahon's.

Within the Bank, the governor has reshuffled some supervisory duties among his directors. Oversight of banking supervision is to be placed with Mr Rodney Galpin, who has been sorting out Johnson Matthey Bankers since it became a subsidiary of the Bank of England a year ago. Mr Peter Cooke, the associate director for banking supervision, has been asked to concentrate on his work as chairman of the Basle Committee of international bank supervisors.

Mr Eddie George will supervise the new government securities market and the discount market, and Mr David Walker will become chairman of Johnson Matthey Bankers in addition to his responsibilities for overseeing the reform of the securities markets.

The four will be grouped in a new high-level committee formed by the governor to make policy and coordinate work within the Bank and with other regulatory bodies. It will also act as a focal point for supervision of the new activities in which banks are now engaged through their alliances with securities firms.

Other steps to strengthen banking supervision include the hiring or secondment of more staff and the appointment of Mr Sidney Procter, the retiring chief executive of the Royal Bank of Scotland, as a special adviser to the governor.

The changes were greeted by bankers last night as necessary to raise the effectiveness of banking supervision at a time of mounting risk in the banking business. Mr Peter Leslie, the chief general manager of Barclays Bank, said: "We welcome the strengthening of the supervision team."

Saudis plan to order 24 more Tornados

By Richard Johns in London

SAUDI ARABIA wants to buy another 24 Tornado Aircraft from British Aerospace (BAe). The kingdom had been expected to commit itself today to buying 48 of the strike variety of the aircraft but the order for a further 24 of the interceptor version came as a surprise to the British Ministry of Defence and BAe.

The value of the extra aircraft, with spare parts, would be about £500m, bringing the total value of the deal in prospect closer to £4bn. An outline agreement is scheduled to be signed this morning by Prince Sultan bin Abdel-Aziz al Saud, Minister of Defence and Civil Aviation, who arrived in London yesterday.

A possible order for a further 24 Tornados had been discussed, but Riyadh had given the firm impression that it was only interested, for the time being, in 48 of the contour-hugging strike version, the prime roles of which are battlefield support, long-range interdiction and bombing.

Confirmation of the Saudi wish to buy the extra aircraft is understood to have been received in London on Tuesday.

The decision may have been made as a result of the Saudi Government's realisation that the U.S. Congress would almost certainly veto any Administration attempt to supply 40 more F-15 Eagle interceptors, sought by Saudi Arabia with 1,000 Sidewinder air-to-air missiles and Stinger anti-aircraft missiles.

M Marcel Dassault, the veteran founder of the Dassault aircraft group, confirmed last night an Iraqi order for 24 Mirage F-1 jets made by the new state-controlled French Dassault company. M Benno-Claude Vallieres, chairman, said he expected payment soon and that oil was not involved in the terms of the deal. **Earlier story, Page 4.**

Before his departure from Riyadh, Prince Sultan issued a statement that the kingdom was still interested in buying 40 more F-15 fighters to supplement 60 in service with the Royal Saudi Air Force.

These F-15s and the missiles were to have been part of the arms package to be submitted to Congress for approval by the end of September. If it materialises it will also include a notification of sales of F-16 fighters and advanced anti-aircraft missiles to Jordan.

There have been clear indications, however, that the Administration – in the face of an almost certain rebuff by Congress – is anxious for any excuse to remove the Saudi requests from the package and may use the Anglo-Saudi deal as one reason for doing so.

Bridget Bloom adds: The news of the sale of yet more Tornado aircraft to Saudi Arabia will be tempered for the Royal Air Force by the knowledge that their own deliveries of the aircraft will almost certainly be delayed

It is understood that Riyadh wants the 48 ground-attack Tornados within the next two to three years, and the air defence version could follow shortly thereafter. The end of the planned production line for Tornado is 1989, so it seems that the RAF could find itself having to accept a delay of up to two years in its own deliveries. The RAF has ordered a total of 220 ground-attack and 165 air defence Tornados out of a total purchase of 809 by the three Tornado partner countries – Britain, West Germany and Italy.

Leutwiler to mediate on Pretoria debt

By William Dullforce in Geneva

DR FRITZ LEUTWILER, chairman of Brown Boveri, the Swiss engineering group, and former president of the Swiss National Bank and the Bank for International Settlements has agreed to mediate between South Africa and its creditor banks.

A formal announcement is expected to be made today simultaneously in Pretoria and Zurich.

Dr Leutwiler said last night that the conditions he had laid down had been met. These were that the 28 creditor banks most directly concerned and the South African authorities should agree to his appointment.

He said that he hopes to have some concrete results before the end of the year when the freeze on loan repayments imposed by South Africa at the beginning of August is due to expire.

The crisis was caused when U.S. banks decided not to roll over the short-term credits to South Africa.

The country's total foreign debt is estimated to be some $22bn, of which $14bn would fall due within a year.

THE LEX COLUMN

Safety first at the Bank

The Bank of England did its utmost yesterday to dodge the suggestion that anyone was taking the rap for the Johnson Matthey Bankers affair but, while there was a fluent enough explanation for each of the management changes, it is difficult to imagine that the package would have emerged as and when it did but for JMB.

If there is a scapegoat, it is not Mr Kit McMahon. Having been passed over so conspicuously for the governorship, it was only natural that he should be attracted to a job in the private sector. Had either the Treasury or the Bank entertained any serious doubts about his qualities as a supervisor, the last post he would have been encouraged to occupy is the chairmanship of Midland Bank.

Taken as a whole, however, the changes appear to imply a strengthening of the Bank's supervisory role at the expense of its policy-making function. Even without the JMB backdrop, the Bank would have needed to enhance its supervisory department in order to cope with the challenges presented by the pace of change in the City of London. The creation of a high-level committee to monitor and implement supervision looks an eminently sensible way of tackling the growing problems of overlap and underlap.

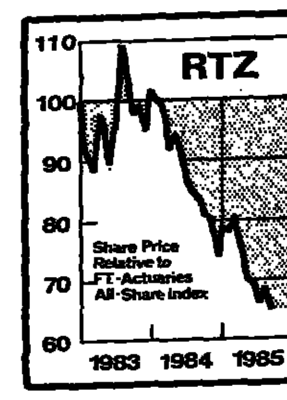
It would, in the present circumstances, have been very awkward to promote any of the existing executive directors to the deputy governorship. But the return of Mr George Blunden from semi-retirement will inevitably leave the impression that the Chancellor of the Exchequer and the governor have gone for the safest of options. Mr Leigh-Pemberton and Mr Blunden will not, for all their strengths, carry the authority – spiced with a touch of intellectual arrogance – which characterised the Richardson/McMahon years. And, in policy wrangles with the Treasury, the Bank may be the poorer.

Imps/Allied

The announcement that Imperial Group is considering a partnership with Elders IXL in the bid for Allied-Lyons scarcely shows the tobacco group at its most imaginative. Lyons looks an obvious home for the new-found Imperial cash, but it is unlikely that much good would come of the deal. There is little overlap between the two businesses and, alongside such jewels as Baskin-Robbins, Imps would inherit a great many problems.

In contrast to Howard Johnson, Lyons would at least be a company in a familiar area. But, after its inglorious exit from the commodity poultry business, Imperial would be pushed to justify investment in markets such as tea and coffee which, in addition to their commodity properties, are not much fun for anyone smaller than Nestlé or Unilever.

Elders is understood to have attanched some fancy price tags to the Lyons business, but it is fair to assume that even Imperial, threatened as it is by the prospect of being taken over, would not pay anything like £800m for such a mixed portfolio. Elders may, of course, be willing to offer a UK partner a slight discount. Imperial would probably cut more of a dash before the Monopolies Commission than some of the other companies which have been mentioned as potential consortium members. Imperial can do little harm by talking. But it should think more than twice before converting words into action.



RTZ

Rio Tinto-Zinc's interim results this time are more than usually a tug-of-war between exchange-rate influences. Behind the 15 per cent rise in net attributable income (to £114.8m) for the first half are a multitude of currency virtues and vices: the same strong dollar that hurt overseas earnings at Rio Borax assisted UK chemical exports, while higher metals prices in Australian dollar terms lost out on translation into sterling.

Meanwhile, despite heavy capital expenditure, RTZ's borrowing is almost unchanged on the balance-sheet in sterling terms.

In a group of RTZ's size and diversity it matters little that the imposition of VAT on home improvements in the UK hammered RTZ Pillar. The most interesting trading results, apart from the growth in the energy business with the help of Enterprise, came from the volume improvements in Australian iron ore and coal which survived a hefty depreciation policy to provide a 50 per cent increase in the net contribution from CRA.

If this performance provides a shred of support for RTZ's heavy investment in mining at the trough of a cycle, it will need an improvement in metals prices to reverse the group's two years of share-price underperformance.

Indeed, with the energy sector joining metals on the stock market's least-wanted list, even full-year net attributable income of around £245m is unlikely to change sentiment.

RMC

The collapse in demand for house construction in West Germany, disguised since last summer by the vestiges of government subsidy and a severe winter, has emerged in RMC's interim figures with a vengeance.

With some 30 per cent of its capital employed in Germany, the British building materials group has looked vulnerable for some time; but a £2.5m loss in the ready-mix operations was partially sheltered by a maiden consolidation of the RWK lime business, and overall pre-tax profits down 20 per cent at £25.4m were better than some of the gloomier forecasts. The RMC share price actually rose 12p to 398p.

Since, by its nature, ready-mixed concrete abhors the creation of inventory, RMC can adjust more quickly to a downturn than a cement supplier and the group hopes that an after-tax provision of £1.1m will cover the cost of cutting out trucks and batching capacity.

To its credit, RMC is making no assumptions about recovery: indeed, with the cities rebuilt and a large stock of high-quality government housing, the link between German economic growth and house construction may have been broken for good.

But shareholders who now resent stumping up for the RWK minority in December when the German earnings outlook was more favourable, can draw some comfort from RWK's markets outside construction.

None the less, with West Germany joining the UK as a market that has seen its growth, that much more will be demanded from those areas – such as France and the U.S. – which still offer potential. A multiple of nine times 1985 earnings is asking little, but probably will not get much either.

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday September 26 1985

INTERNATIONAL CLEARING SYSTEM EXPANDS TO MATCH EUROMARKET GROWTH

Euro-Clear rewards its clients

BY PAUL CHEESERIGHT IN BRUSSELS

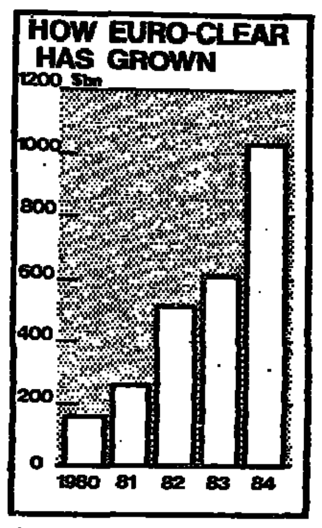
THE VALUE of transactions handled by Euro-Clear, the clearing system for securities traded worldwide, is likely to climb by 17 per cent this year after topping $1,000bn in 1984.

Compound growth of over 59 per cent a year since 1980 in the amount of business passing through the system has meant a move to a new headquarters in Brussels, which is to be officially inaugurated tomorrow.

This is testimony to the growth of trade in international securities and more particularly to the growth of the Eurobond market. The number of transactions handled each day by Euro-Clear runs between 12,000 and 25,000.

To avoid the need for motorcycle couriers to chase pieces of paper and collect cheques, a fledgling computerised system of clearing was started by Morgan Guaranty Trust in 1968.

Only 5 per cent of transactions are now cleared physically. Euro-Clear itself handles in Brussels about 60 per cent of all international securities transactions.



"A typical transaction," explained Mr Peter Culver, general manager of the Brussels operation, "might be the sale of a Eurodollar bond by a Japanese securities house to a bank in Switzerland. The seller may send its instruction via electronic telecommunications link to Euro-Clear in Brussels, the buyer may send its instruction by telex. On the settlement date, the bond and payment for the bond are transferred by book entry here in Brussels, and records of the transactions are immediately sent to both parties." The clearance costs $1.50.

Morgan Guaranty still manages the system, but not on its own account. It acts for the London-registered Euro-Clear Clearance System, which is owned by 125 securities trading institutions across the world. The chairman is Dr Rolf-Ernst Breuer of Deutsche Bank.

There is no shareholder with more than 3 per cent of the equity, and the general public has not and will not be invited to subscribe.

Last year these professionals received a final dividend of $50 a share and a special dividend of $15 a share, against respectively $40 and $10 in 1983.

Profits on present trends should grow from the $7.68m net recorded in 1984 after the payment of fee rebates of $7.8m to the 1,720 financial institutions which use Euro-Clear.

The rebate policy springs from Euro-Clear's role as a service company to the markets, which in effect own it.

For the last three years, it has been handing back all the $1.50 fees on normal clearance business. Latterly it has handed back a portion of the fees on holding securities for customers. It has, however, held on to the income from its other two forms of business bond lending and money transfer.

Mr Culver makes no promises about future rebates because no one knows how the market will move. A fall-off would hurt, but it might hurt Centrale de Livraison de Valeurs Mobiliers (Cedel), Euro-Clear's main competitor, more.

Cedel, based in Luxembourg, is much smaller, and a competitor with a difference. Many of its shareholders and participants are the same as Euro-Clear's, and the two have a co-operation agreement dating back to 1980. This allows participants in one system to have transactions with a member of the other, cleared through a computer link.

SME well ahead as bid battle hots up

By James Buxton in Rome

SME, the Italian state-controlled foods group, which is at the centre of a long, drawn-out and highly politicised takeover battle, yesterday presented figures indicating that the health of the once heavily loss-making company is continuing to improve.

The Naples-based company, which both produces and retails food products, says its sales in the first half of this year rose 14.2 per cent to L1,349bn ($736m). The company's net financial profit at the end of June this year was L28.6bn, compared with L11bn at the end of last December.

SME said yesterday that none of its operating subsidiaries was in loss in the half-year and that better results were expected for the year as a whole, compared with 1984, when SME made a profit of L50.2bn on sales of L3,100bn – its first profit since 1973.

But the future ownership of the company became, if anything, more uncertain yesterday with the announcement of new legal moves by two companies seeking to buy a 64 per cent stake in it. Last April, IRI, the state industrial holding company, agreed to sell its stake in SME to the Buitoni group.

But the deal met political opposition, and three other companies put in higher bids for SME. In June the whole issue was postponed for further consideration by IRI until after September 30.

With only a few days to go to the deadline no new bids have been received for SME, and the board of IRI should next month choose between different bidders, possibly by means of an auction.

Yesterday, however, it emerged that Cofima, a food group, which has offered L620bn for SME, compared with the L497bn bid by Buitoni, has become associated in a legal action which Buitoni is pursuing against IRI.

EUROBONDS

New repackaging of UK floater fails to inspire

BY MAGGIE URRY IN LONDON

A HOST of borrowers came to the Eurodollar bond market yesterday, headed by another $100m deal repackaging a tranche of the UK floater. This is called MECS – Marketable Eurodollar Collateral Securities – and the lead manager is Merrill Lynch.

The swap from the floater to the fixed rate is arranged by Prudential Global Funding, giving the bonds a AAA rating, and at the end of its three-year life Barclays Bank is guaranteeing repayment of the bonds at par. Terms are the same as for the earlier BECS issue, a 9⅝ per cent coupon and a 100¼ issue price. With fees at 1⅜ per cent the all-in yield is around 40 basis points above the U.S. Treasury yield curve.

Like BECS, though, the new deal did not inspire great interest, and the bonds were trading only just within the fees. The floater itself gained once more to 99.95 compared with the par issue price. With major investors taking large slices of the issue, as well as the two repackagings, this issue's liquidity is draining away.

Three other fixed-rate deals appeared in a slightly firmer market following the improvement in New York the previous day. Swiss Bank Corporation International brought a $100m issue for Hospital Corporation of America. Terms looked on the tight side at a 10⅜ per cent coupon for 10 years with a par issue price, but the bonds were trading within the 2 per cent fees, thanks to strong support from the lead manager.

Société Générale launched a $100m issue for Solvay, the Belgian chemicals group, through its Sofiber Bermuda company. This is not just partly-paid; investors do not have to put up any cash until January 8 1986, when they will pay 14½ of the 99½ issue price, with the balance due a year after that. With uncertainty about the dollar, that would give investors a chance to benefit if the exchange rate falls.

BHF Bank bond average		
Sept 25 105.405		Previous 105.346
High 105.417	1985	Low 99.840

However, here too the terms looked tight at a 10½ per cent coupon for 10 years. The bonds were trading just within the 2 per cent fees.

Late in the day a $100m deal for Dow Chemical appeared, led by European Banking Company. Dow is a well-liked name amongst retail investors, although it is a single A. The bond pays a 10¼ per cent coupon for its seven-year life and was issued at 100¼. With fees of 1⅞ per cent the all-in cost to Dow is only 23 basis points above the Treasury yield

Floaters were launched for two U.S. groups. Centrust Savings and Loan is raising $100m through a 10-year deal paying ⅛ per cent above three-month London interbank offered rate (Libor). Fees totalled 40 basis points, but the bonds proved popular and were trading well within the 20 basis-point selling concession. The bonds are backed by U.S. government paper and mortgages, giving them a AAA rating. Banque Paribas is lead manager.

Southeast Banking could be one of many U.S. banks looking to raise funds to improve their ratios. It launched a $75m deal, led by First Interstate, with a 12-year life and paying ⅛ per cent over six-month Libor. Fees total 1 point, and the bonds traded within that discount.

Ferrovie dello Stato, the Italian state railway, launched a £100m floater, its first Euro-sterling issue. This has a 10-year life and pays interest at 10 basis points over three-month Libor. Morgan Guaranty set the issue price at 100.10, and fees totalled 14 basis points. The bonds were quoted around the total fees at the close yesterday.

In the Australian dollar market a A$40m issue for GMAC was launched by Hambros Bank. The five-year bonds pay a 13 per cent coupon and are priced at 100½. Opinion is divided over investors' appetite for this type of name, and the bonds were quoted outside the 2 per cent fees.

The Euro-French franc market is back on an even keel, and the European Investment Bank set a coupon of 11¼ per cent for a seven-year FFr 500m issue. Led by Crédit Commercial de France, the bonds were priced at par and traded around 98¾, within the 1¼ per cent fees.

In the Swiss franc foreign bond market SBC had a busy day. The bank led a SwFr 200m public issue for Japan Highway with a 10-year life and an indicated yield of 5¼ per cent. It also led another zero-coupon private placement, this time a SwFr 50m deal for Bergen Bank. With a seven-year life the 69.90 issue price gives a yield of 5¼ per cent to maturity.

SBC also announced a SwFr 80m convertible private placement for Gun-ei Chemical which matures in April 1991. The yield is indicated at 1¾ per cent, and redemption will be at a premium, indicated at 104½.

UBS is managing a SwFr 100m five-year private placement for Shimizu Construction. Terms were fixed at a 5½ per cent coupon and 99⅜ issue price.

The secondary market was unchanged on average in medium turnover. Oberösterreichische Kraftwerke's SwFr 100m, 12-year, 5⅝ per cent issue ended its first day's trading at 99¼ against its 99⅜ issue price.

An expected D-Mark deal for Crédit Commercial de France was postponed. The secondary market saw prices maintained with a firm undertone.

Maryland bank goes to Sovran

By William Hall in New York

SOVRAN Financial, a fast-growing Virginia-based banking group, has agreed to take over Suburban Bancorp in neighbouring Maryland in a $405m deal.

Maryland's fourth biggest bank, which has assets of $3.1bn and 82 branches, is the latest target of Sovran, Virginia's biggest bank, which has already agreed to acquire DC National Bank, the sixth biggest bank in Washington.

Since the barriers to interstate banking began to be lifted, Virginian banks, which rank amongst the most profitable in the U.S., have been at the forefront in the race to create "super regional" banking groups large enough to face the competition from the big New York money-centre banks which are anxious to enter their markets.

The latest deal will leave Sovran with assets of $12bn and more than 300 branches in Virginia, Maryland and Washington DC – one of the most profitable banking markets in the U.S. – and the group will rank among the largest in the south-eastern U.S.

Suburban shareholders will get 2.926 Sovran shares for each of Suburban's 5.38m shares.

Move to allow interstate S&L mergers

THE U.S. Federal Home Loan Bank Board is considering a plan to allow mergers of healthy savings and loan associations across state lines, AP-DJ reports from Washington.

Until now, the bank board has permitted interstate acquisitions only of financially strained or failing savings and loan associations (S&Ls), even though it has the authority to authorise nationwide operations.

The bank board is under pressure to change its stance because commercial banks in many regions are buying other banks in surrounding states. The board is also worried about its dwindling insurance fund, which could be helped if a change in merger policy resulted in stronger, better capitalised S&Ls.

It is preparing a proposed policy change that would permit interstate S&L acquisitions in those states that allow out-of-state banks to operate within their borders.

The board will be considering whether federally chartered S&Ls should have merger parity with banks under regional banking compacts.

Canadian bank may sue over failure of Alberta institutions

BY BERNARD SIMON IN TORONTO

CANADIAN Imperial Bank of Commerce, one of the six big banks which participated in last March's abortive bailout of Canadian Commercial Bank of Edmonton, has threatened legal action against the federal Government to recover its contribution to the C$255m (U.S.$187m) rescue package.

Mr Donald Fullerton, chairman of the Canadian Imperial Bank of Commerce, told a parliamentary committee investigating the regulation of the country's financial institutions that the Government assured the six banks last March that they would be treated as insured depositors if CCB failed. But since Ottawa appointed curators for CCB and Northland Bank of Calgary on September 1, the Government has said that the six banks will not receive preferential treatment.

The banks, some of which were reluctant to participate in the hurriedly arranged bailout, contributed C$60m towards the package. The rest was provided by federal and Alberta government agencies. CIBC's share was C$13.8m.

On the other hand, the Bank of Canada expects that the C$1.3bn in short-term loans provided by the central bank to CCB between March and September to cover withdrawals by nervous depositors is adequately secured.

The private banks are questioning several aspects of the Government's actions in first rescuing CCB and then allowing it to fail.

They have expressed misgivings on the quality of information provided at the time of the rescue by supervisory authorities and by CCB on the status of the troubled bank's loans.

The chairman of Toronto-Dominion Bank, Mr Richard Thomson, who publicly criticised the CCB rescue within days of its occurrence, has urged the authorities to reveal the identities of uninsured depositors in the bank. The Government has agreed to pay out these customers in full in view of its repeated assurances that their funds were safe after the bailout. Canada's official deposit insurance scheme normally covers only deposits below C$60,000.

According to the Government, about a quarter of the deposits in CCB were held by foreign banks.

Solvay profits climb 7% in first half

BY OUR BRUSSELS CORRESPONDENT

NET PROFITS at Solvay, the international Belgian chemicals group, rose 7 per cent in the first half over the same period of 1984 to reach BFr 4bn ($72m).

An interim dividend would be announced in November, Solvay said yesterday, recalling that in previous years the interim has been BFr 70. Total dividends were BFr 270 net for 1984, following a rising trend established in 1982.

During this year's first half there was a 3 per cent increase in turnover over the first six months of 1984 to BFr 117.1bn, largely in line with expectations that the strong growth of 1983 and 1984 would tend to slow.

M Jacques Solvay, chairman, made clear at the June annual meeting that, although recession is likely in 1986, it is not likely to be as deep as in 1975 and 1981 and that the group itself is less vulnerable.

One reason for this is the way in which Solvay has changed its products mix, moving into a wider range of higher value-added products and lessening profits dependence on plastic materials. This process has been followed alongside greater attention to costs, the sale of businesses seen as superfluous – British Vita recently bought its flexible polyurethane foam interests – and fresh investment.

Figures so far suggest that Solvay is in line at least to repeat last year's result when turnover was BFr 224.4bn and net profits were BFr 8bn.

Investor group seeks facelift for Kaiser

By Our Financial Staff

THE "RECAPITALISATION and restructuring" of Kaiser Aluminum and Chemical, the loss-making U.S. aluminium producer, is being sought by an investment group including three affiliated partnerships.

The group said yesterday it holds only 1.1 per cent of Kaiser's stock but has obtained the limited co-operation of Jamie Securities, a New York investment firm which holds an additional 4.5 per cent. Kaiser's shares closed at $17½ on Tuesday, valuing the group at $768m.

In a filing with the U.S. Securities and Exchange Commission the investment group said it was also seeking "the feasibility of various strategies" to increase its influence over the company or obtain control.

The partnerships are Asset Management Associates, a New York investment partnership, and Equivest Associates and KACC Associates, both based in Oklahoma. They said they were working with Bear Stearns, the Wall Street investment bank, to develop a proposal for the recapitalisation of Kaiser. Under this plan shareholders would receive cash and "publicly traded securities" including a continued interest in the recapitalised company.

Kaiser, the third biggest U.S. aluminium producer, made a net loss of $32.8m, or 79 cents a share, in the first half of 1985. Analysts are expecting a loss for the full year as aluminium prices remain depressed.

Argentus eyes Beijer equity

BY KEVIN DONE IN STOCKHOLM

ARGENTUS, the Swedish investment company dominated by Mr Anders Wall, is seeking to tighten its grip on Investment A. B. Beijer, an allied investment company, through a tender offer for some 18 per cent of the equity.

Argentus is using an unfamiliar financial instrument in Sweden, convertibles with the dividend premiums, in the deal which has a value estimated at around SKr 337m ($41.6m). It is offering two such convertibles for each Beijer up to a maximum of 2.5m shares. The convertibles will have a maturity of 40 years and a yield of 115 per cent of the dividend of each Argentus share.

Mr Wall, a leading Swedish financier, wants to consolidate his grip on Beijer and protect his sphere of influence in the country's finance and industry from predators.

Argentus already holds some 10 per cent of the Beijer stock. If the new offer goes through, its direct holding will be increased to some 28.5 per cent. Through other allied holdings including those associated with Svenska Handelsbanken, Mr Wall and his associates will control 40 to 50 per cent of the Beijer equity.

CBOE set to launch currency options

BY ALEXANDER NICOLL IN CHICAGO

COMPETITION between exchanges for currency options business is set to intensify from tomorrow when the Chicago Board Options Exchange (CBOE) launches contracts on six currencies against the dollar.

CBOE introduced listed options on equities in 1973 but until now has missed out on the currency options boom – which is likely to have received further impetus this week from renewed sharp fluctuations in exchange rates.

The new contracts could find it difficult to attract business, since they will compete with three other exchanges with similar trading hours: Philadelphia, Montreal and the Chicago Mercantile Exchange (CME), which has options on currency futures.

The Philadelphia exchange, which was the first to offer currency options in 1982, decided this week to introduce two new spot months in addition to its March to December quarterly cycle. It will initially add November and January series on all six currencies traded.

Though the move to spot months was triggered by the CBOE's plans, it also responded to demand from banks which use Philadelphia to lay off the risks assumed in writing non-traded options to other banks and corporate customers.

Philadelphia objects strongly to the CBOE contracts which it says contradict the Chicago exchange's own vociferous opposition to trading similar products on different exchanges.

But Mr Arnold Staloff, the driving force behind Philadelphia's options, expects the CBOE to take business from the CME rather than from Philadelphia, which hopes to establish formal trading links with the London Stock Exchange in November.

The CBOE's new twist is that its options are so-called "European-style," meaning that they can only be exercised at expiry. "American-style" options traded on other exchanges, including London's, can be exercised at any time before expiry.

In theory, the reduced flexibility afforded to the buyer and the removal of the seller's worry about early exercise should translate into a lower premium at the CBOE.

The CBOE contends that this feature will aid the liquidity of the new contracts.

INTERNATIONAL COMPANIES and FINANCE

Matsushita emphasises new product areas

By Adrian Dicks

MATSUSHITA, the world's largest electrical appliances group, is seeking to increase its emphasis on communications, components and industrial equipment and to raise these products to around 13 per cent of sales by the end of next year.

Mr Masahiko Hirata, finance director of Matsushita Electric Industrial, the parent company of the group, told financial analysts in London yesterday that under the three-year mid-term strategic plan, known as Action '86, resources would also continue to be poured into consumer products.

These include video tape recorders (where Matsushita's VHS system now has 80 per cent of the world market) and compact disc players.

However, the group is placing greater emphasis on the three new areas, which in 1982 accounted between them for only 5 per cent of its sales. In office automation, Matsushita estimates the value of the Japanese market at Y6,500bn by 1990, and this year it aims at sales of at least Y340bn ($1.48bn).

The group also intends to build on its existing expertise, in automatic chip assembly machines and assembly and welding robots.

And not least, Matsushita is hoping to position itself as a major force in the semiconductor industry, with special emphasis on the next generation of super chips which it believes will dominate the household appliances industry.

Sime Darby looks to the long term

BY WONG SULONG IN KUALA LUMPUR

THE IMMEDIATE profit prospects of Sime Darby, the Malaysian diversified group, are not bright, but its long-term potential is good now that the group's "core business structure and corporate philosophy have been firmly established," Tun Tan Siew Sin, Sime's chairman told shareholders in his annual report.

For the current financial year to June 1986, group profitability will still be largely dependent on the group's traditional base in plantations, which is expected to contribute less to group earnings because of depressed rubber prices and a larger-than-anticipated drop in oil palm prices.

"The palm oil price is now under 800 ringgit (U.S.$325) a tonne and is approximately 400 ringgit per tonne below the average price obtained in the year to June 30 1985," Tun Tan said.

He said the operations of Sime were now classified under five "core business," namely plantations under Consolidated Plantations, manufacturing under Dunlop Malaysian Industries, property development under United Estates Projects, trading and heavy equipment distribution, and insurances services.

He said Sime was in a strong financial position, with the ratio of external borrowings to shareholders' funds having fallen from 23 per cent to 13 per cent during the year, and the group was in the enviable position to consider any investment opportunity open to it, particularly in manufacturing in the Asean region.

Sime's 10-year corporate statistical figures published in the report clearly show that the group had been over-dependent on its plantation and tractor divisions for its profits.

The best year was 1980 when the company made a record pre-tax profit of 261m ringgit, and its worst year was 1983 when pre-tax profits fell to 111m ringgit.

The last financial year was another lacklustre one, with pre-tax profits falling slightly to 210m ringgit, although Sime paid dividends of 13.3 cents compared with 10.8 cents previously to celebrate its 75th anniversary.

● Highlands and Lowlands, Malaysia's fifth largest plantation company, which became a 51 per cent subsidiary of the Guthrie group earlier this year, has reported a 16 per cent drop in pre-tax profits to 34.1m ringgit (U.S.$13.8m) for the half year to June.

The company blamed softer commodity prices and the lower volume of rubber sold.

High and Low made an extraordinary gain of 62.3m ringgit arising from the compulsory acquisition of plantation land.

Second-half earnings are also expected to decline due to weak oil palm prices and the interim dividend is cut from 7.5 cents to 6.25 cents a share.

● Island and Peninsula, a major property group controlled by the Malaysian government-owned Permodalan Nasional, or national investment agency, is to buy a piece of land in Kuala Lumpur owned by the British government for 49m ringgit (U.S.$19.9m).

I and P said agreement had been reached with the British Minister of public buildings and works to purchase the land, covering slightly over 11 acres, at Ampang, a fast growing commercial district in the Malaysian capital. I and P will make a 10 per cent payment on the signing of the sales and purchase agreement, and the balance in three equal instalments over six months each.

I and P intends to develop the land into a major commercial and shopping complex.

HK Law Society criticises tax reforms

By David Dodwell in Hong Kong

HONG KONG'S Law Society yesterday joined accountants and international bankers in attacking tax reforms now being proposed by the Government as part of a bid to clamp down on tax avoidance.

The society, which has taken several months to prepare a formal response to the planned reforms, criticised the Government for its "apparent failure to think through some of the consequences of some recent tax policy decisions."

It called for a thorough review of local tax law, and the creation of a committee to consider how Hong Kong's simple tax system can be preserved.

It complained that the planned changes undermined the "source" principle that has until now determined local tax policy. This says that a company pays tax wherever income is generated, and not where it is physically based. This issue is critical to many international banks involved in offshore banking operations from offices in Hong Kong.

The Law Society says the proposed changes "seriously damage Hong Kong's reputation for a simple and certain tax system."

Among specific criticisms, the Law Society says plans should be dropped to make changes retrospective. Plans to extend profits tax charges on overseas interest should be reversed, it maintains, and laws intended to pare down the grounds on which a company can introduce changes which help to minimise its tax liabilities should be modified.

Lower tax charge helps lift Burns Philp profits

BY LACHLAN DRUMMOND IN SYDNEY

BURNS PHILP and Co, the Australian trading and foods group, lifted net earnings by 40 per cent to A$34.5m (U.S.$24.4m) in the year to June, helped by a lower tax charge and the benefits of continuing rationalisation.

Turnover rose by 11 per cent to A$1.3bn, while the 35 per cent drop in tax to A$6.6m came mainly from tax losses and lower overseas tax rates. Pre-tax profits were A$42.4m, up 25 per cent.

The Pacific island operations contributed A$9m turnround, including a recovery in Papua New Guinea from an A$4.8m loss to A$1.9m profit.

Burns Philp sold A$35m of assets in the year, with the proceeds used to retire debt and bolster the food, hardware and shipping operations. Interest was steady at A$30.8m and depreciation up slightly to A$13.4m.

The final dividend is 10 cents a share against 7.5 cents, for a total of 19 cents compared with 15 cents from earnings per share of 53 cents against 38 cents.

Lend Lease plans rights issue to raise A$46m

BY OUR FINANCIAL STAFF

LEND LEASE Corporation, the Australian property group, is to raise A$46.3m (US$32.7m) through a one-for-ten renounceable rights issue.

Lend Lease will issue 11.6m shares at A$4 each. The company's shares closed at A$6.36 yesterday on the Sydney Stock Exchange.

The company said the funds raised will be used to cancel shares in the company held by MLC Life, which it took 100 per cent control of earlier this year. The new shares will not rank for the 1985 final dividend, but will rank fully for dividends after that.

● Wormald International, the fire protection and prevention group, has placed 7.3m shares at A$3.60 each to a group of 27 institutions through Rivkin, the stockbroking firm.

The A$26.28m raised will be used for working capital to fund activities in Australia and overseas.

The shares are entitled to the recently declared 10 cent final dividend. The placement lifts Wormald's issued capital to 73.08m shares of A$1.

Hyundai pursues its costly shipping dream

BY STEVEN B. BUTLER IN SEOUL

HYUNDAI MERCHANT Marine, part of Korea's huge Hyundai conglomerate, has its eyes set on owning a major international shipping company, and just might be succeeding, despite the obstacles.

The Korea Maritime and Port Administration (KMPA), a government regulatory body, has turned down applications by Hyundai for a licence to operate full container services between Korea and the West Coast of the U.S.

KMPA argued that, since two other domestic competitors provide service on the route, Hyundai would only drive down rates and reduce already meagre profits. Hyundai itself lost 3.5bn won (U.S.$3.9m) last year, and had debts amounting to 25.3bn won, roughly eight times its paid capital.

Not to be deterred from its dream of becoming a major international carrier, Hyundai last month bought one of the companies that has a licence, the Korea Marine Transport Co. Hyundai acquired 74 per cent of the company's capital stock for 6.07bn won. It also got 16 ships, 657 employees, and a whole new load of debt—amounting to 91bn won.

Hyundai's move to create an even larger, debt-ridden, money-losing company is just what the Korean government's plan to save the shipping industry is all about. Korean shipping companies, which have lost 100m won in each of the past three years—171.4bn won last year—now survive solely at the pleasure of the government.

The government's determination to see the industry through the world shipping recession has been tested time and again—and has not been found wanting. Earlier this month the Bank of Korea authorised yet another emergency measure that will allow shipping companies to repay maturing foreign currency loans, amounting to some $700m, over an eight-year period.

The move came hard on the heels of another bail-out programme announced in July, in which the shipping companies were allowed to repay 545.8bn won of maturing local currency loans in five years, after a three-year grace period.

Korea's merchant fleet has expanded rapidly over the past decade. From 1975 to 1980, it grew by 174 per cent, to reach 4.07m gross tons, while the world fleet expanded by just 23 per cent. While the size of the world's fleet has stagnated over the past five years Korea has continued to expand by another 59 per cent to reach 6.49m gross tons at the end of 1984, according to the KMPA.

Korea has paid heavily for that expansion. Many of its shipping companies bought second-hand ships in the late 70s and early 80s, just before ship prices plunged. The ships were also quickly made obsolete and uneconomical by advances in design and engine technology. Banks often refused to allow companies to dispose of the ships, however, since their value had already fallen below outstanding loan balances.

In 1983 the Korean government debated what to do with the industry. Some economists argued that Korea would be better off to let the industry die in order to take advantage of efficient international lines. But in the end, national security considerations prevailed. Korea's economy now depends more than ever on international trade, and many Koreans still recall the Korean war, when international carriers charged very high rates to call at Korean ports.

The restructuring plan that emerged from that debate called for Korea's 66 shipping firms to merge into 17 shipping groups that were eventually to become single companies. Participation in the programme was "voluntary," but refusal to participate would mean being cut off from bank loans. Only three companies that had foregin joint-venture partners refused to join in the plan.

About half the companies have now merged into the shipping groups as the plan specified. At the end of April, one year after the plan went into effect, the industry's workforce was reduced by 934 persons, from a total of 17,829. Branch offices have been cut from 1,375 to 770 and assets worth 115.4bn won have been sold.

Still the industry is far from out of the woods. Last year its debt increased to 2,828bn won, while assets and capital both declined. The industry-wide average debt ratio deteriorated from 580.4 per cent in 1983 to 952.7 per cent at the end of last year. The Government expects to advance 2,341bn won in bail-out loans to the companies over a four-year period beginning in 1984, with 585.6bn won this year alone.

The devil in all this is the failure of the world shipping industry to come out of its long recession. But with unwavering government backing, firms like Hyundai are not worried about their current losses—instead they have their eyes on the future.

Over the opposition of rival Korean firms, Hyundai is expected in the coming months to push the Government for a licence to operate an around-the-world container service, supplementing its fleet with half a dozen container ships built in the yards of its sister company, Hyundai Heavy Industry. When the world industry recovers, Hyundai wants to be there to reap the profits.

Company Notices

INTERNATIONAL COMPANIES and FINANCE

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for September 25.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 10⅞ 90	100	102⅜	102⅞	+0¼	+0⅜	10.10
Amex Credit 12⅜ 88	150	106	106½	+0⅜	+0½	10.19
Atlant Richfld 10¾ 00	250	93½	94	+0¼	+0⅛	11.12
Australia Com 11¼ 00	100	103	103½	+0⅛	+0⅛	10.78
Australia Com 11 95	200	101⅞	102⅜	+0⅜	+0⅜	10.62
BP Capital 11⅛ 92	150	101⅞	102⅜	+0⅛	0	10.62
Canada 11½ 90	500	104¾	105¼	+0¼	+0¼	10.02
Canadian Pac 10¾ 93	100	101⅝	102⅛	+0⅛	+0⅜	10.38
Canadian Pac 12½ 89	75	107¾	108¼	+0⅜	+0⅞	11.38
Chevron U.S.A. 12¼ 89	600	104½	105	+0¼	+0¼	10.73
Citicorp 10 88	200	99¾	100¼	+0¼	+0⅜	9.99
Citicorp 11½ 95	150	101¾	102¼	+0⅛	+0½	11.13
Coca Cola 11¾ 91	100	106	106½	+0¼	0	10.30
Denmark Kingdom 11¼ 89	100	102½	103	+0¼	+0⅜	10.28
Denmark Kingdom 11½ 90	100	103⅜	103⅞	+0¼	+0⅝	10.44
Denmark Kingdom 11½ 92	100	102⅞	103⅜	+0⅛	0	10.78
E.D.F. 10 95	225	94⅞	95⅜	+0¼	+0⅛	10.82
E.E.C. 9⅝ 90	350	97½	98	+0¼	+0⅜	10.22
E.E.C. 11⅛ 90	100	102⅝	103⅛	+0⅛	+0⅜	10.24
E.I.B. 12 95	200	106¼	106¾	+0⅜	+0½	10.85
Export Dev Corp 10 90	100	99⅝	100⅛	+0⅛	+0⅜	10.01
Export Dev Corp 12 89	100	105⅛	105⅝	+0¼	+0⅜	10.61
Fed Dep Stores 10⅛ 95	100	96⅛	96⅝	+0⅛	0	10.73
Ford Motor Cred 11⅝ 90	100	102⅜	102⅞	+0¼	+0½	10.96
Ford Motor Cred 11⅝ 95	100	102⅛	102⅝	+0¼	+0½	11.18
Ford Motor Cred 11¾ 92	100	102⅜	102⅞	+0¼	+0¼	11.13
Ford Motor Cred 12 95	100	104½	105	+0⅜	+0½	11.13
Gen Elec Credit 10¼ 00	200	100⅞	101⅜	+0¼	+0½	10.09
GMAC 10¼ 89	200	101	101½	+0½	+0¾	9.80
IBM Credit 10⅜ 2000	300	101¾	102¼	+0⅜	+0⅞	10.09
Kellogg Company 10⅞ 90	100	102⅜	102⅞	+0⅜	+0½	10.06
Kellogg Company 11¼ 92	100	103½	104	+0¼	+1¼	10.36
L.T.C.B. 12⅞ 91	100	108⅝	109⅛	0	−0¼	10.89
Macy Cred Corp 11¾ 95	100	103¾	104¼	+0⅛	+0¼	11.02
Merrill Lynch 12¾ 89	100	105⅛	105⅝	+0⅛	+0¼	11.02
Minnesota 11½ 87	100	103¾	104¼	+0⅜	+0⅛	9.25
Mitsui Trust 11⅜ 90	100	102⅜	102⅞	+0¼	+0⅝	10.66
Morgan Guaranty 12⅜ 89	150	106	106½	+0⅛	0	10.40
Pru Realty secs 12⅛ 95	546	108¼	108¾	−0⅛	−0⅛	10.95
Qantas Airways 10⅜ 95	140	98¼	98¾	+0⅛	+0⅛	10.61
Quebec Hydro 11½ 92	100	104¼	104¾	+0¼	+0⅞	10.56
Queensland Govt 10¾ 95	100	96⅝	97⅛	+0⅛	−0¼	10.77
Ralston Purina 11¾ 95	150	104⅝	105⅛	+0⅜	+0½	10.88
Ralston Purina 12¾ 89	100	107¼	107¾	+0¼	+0⅜	10.35
Saskatchewan 10¾ 92	100	101⅛	101⅝	+0¼	+0½	10.42
Saskatchewan 11⅞ 89	100	105⅜	105⅞	+0⅛	0	10.12
Statoil 10 90	170	99⅛	99⅝	+0¼	+0½	10.16
S Wales Trsy 11¾ 90	150	103⅞	104⅜	+0⅛	0	10.53
Swed Exp Cred 10 92	100	97⅛	97⅝	+0¼	+0⅜	10.54
Swed Exp Cred 12¾ 89XW	100	106⅞	107⅜	+0⅛	+0⅜	10.45
Sweden Kingdom 10⅞ 90	200	102	102½	+0¼	+0⅝	10.21
Sweden Kingdom 11½ 89	200	103¾	104¼	+0⅛	+0¼	10.25
Sweden Kingdom 11¾ 94	100	105¼	105¾	+0⅛	+0⅛	10.78
Tenneco Corp 10¾ 95	150	99½	100	−0⅛	0	10.77
Texaco Capital 10 95	300	94½	95	+0¼	0	10.89
Texaco Capital 11⅛ 95	250	100¼	100¾	+0⅜	+0½	11.02
Tokai Asia 11½ 95	100	102¼	102¾	+0⅜	+0⅜	11.04
United.Tech Fin 10⅝ 95	100	98⅝	99⅛	+0¼	+0⅝	10.81
Victorian Rep 11⅛ 92	150	103⅝	104⅛	+0⅜	+0¼	10.74
World Bank 10⅛ 95	300	97⅝	98⅛	+0⅜	+0¾	10.47
World Bank 12⅞ 94	200	111¼	111¾	+0⅜	+0⅜	10.80

Average price change On day +0¼ on week +0⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 8 94	200	106⅝	107⅛	0	+0⅛	6.96
Austria Republic 7⅝ 94	200	104¾	105½	−0⅛	−0⅛	6.90
Baxter Travenol 7¼ 94	200	103½	104¼	0	0	6.63
Copenhagen 7⅝ 95	150	101¾	102½	+0⅛	0	7.85
Credit National 8⅛ 94	200	107⅜	108⅛	0	−0⅜	6.87
E.I.B. 7¼ 94	300	103¼	103¾	−0⅛	0	6.72
Escom 8 92	150	95⅛	95⅞	−0⅛	−0¾	8.92
Ex-Im Bk Korea 7⅝ 90	100	99⅜	99⅞	0	+0¼	7.71
Ferrovie Dello Stato 8 91	100	105½	106¼	0	0	6.88
Finland Republic 7 92	200	101¾	102½	0	0	6.57
Gould Int Fin 7⅞ 91	100	104⅞	105⅝	+0½	+0½	6.47
Ireland 8⅛ 92	150	105⅛	105⅝	−0⅜	−1	7.07
Japan Fin Corp 7⅜ 91	100	105⅜	106⅛	+0⅛	0	6.39
Mitsubishi Hvy 3½ 89WW	300	176⅝	177⅞	+2⅜	+5⅛	−12.57
Mitsubishi Hvy 3½ 89XW	300	92¾	93½	+0⅛	+0⅛	5.76
Mitsubishi Met 3⅛ 89WW	100	105½	106½	+0⅝	+0½	1.65
Mitsubishi Met 3⅛ 89XW	100	89⅝	89⅞	0	+0⅛	5.78
Quebec Hydro 7⅛ 95	200	103	103¾	+0⅛	0	6.64
Renfe 7¾ 95	100	103⅝	104⅛	0	+0⅛	7.17
Renown 3⅛ 90 DM 3/85	675		107½	108¾	−	0.08
Soc Cent Nuclear 7¼ 95	150	101¼	102	0	+0¼	7.01
Societe Cent Nuclear 8 91	100	106⅝	107⅜	+0⅛	−0⅜	6.59
Sth African Tran 7⅜ 92	100	92⅞	93⅝	−0⅛	+0½	8.94
World Bank 7 95	600	†102	102½	0	+0⅛	6.68
World Bank 7¾ 89	100	103⅜	104⅛	0	0	6.46

Average price change On day +0⅛ on week +0⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Afrcan Dev Bk 6¼ 94	100	†101½	101¾	−0⅛	−0½	6.01
Avon Cap Corp 5⅝ 94	130	†100	100¼	0	−0⅛	5.55
Brit land Comp 6½ 98	75	†103¾	104	−0¼	+0⅛	6.08
Council of Europe 6 92	120	†103	103¼	+0¾	−1⅛	5.46
Creditanstalt 5½ 94	100	†99½	99¾	+0¼	+0⅛	5.55
Deutsche Bk Fin 5⅜ 95	100	†101¾	102	+0¼	+0⅛	5.11
E.I.B. 5⅞ 94	120	†102	102¼	0	+0⅜	5.57
Gen Occidentale 4½ 94	80	†102¾	103	+0¼	−0½	4.12
Glendale Fed.S&L 5½ 95	100	†98¼	98½	+0¼	+0¼	5.72
I C Industries 5⅝ 94	125	†102½	102¾	0	+0⅜	5.25
Ind Fund Fin 5¾ 94	40	†102	102¼	+0½	−0⅛	5.45
Int-Am Dev Bk 6⅛ 94	120	†103½	103¾	−0⅛	−0½	5.60
N.Zealand steel 5¾ 96	70	†99½	99¾	+0¼	+0⅞	5.79
Oberos Kltwk 5⅜ 95	100	†99½	99¾	+0¼	+0⅛	5.42
Ralston Purina 5⅜ 94	125	†101¾	102	+0½	+1⅛	5.11
Santos Finance Ltd 6 94	130	†100	100¼	0	−0⅛	5.98
Tokyo Elec Pwr 5½ 93	120	†100½	101	−0⅛	0	5.37
Tokyo Metropolis 5¼ 94	80	†100	100¼	+0½	+0⅜	5.23
World Bk 5⅜ 94	150	†102	102¼	+1	0	5.45

Average price change On day +0¼ on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Finland Republic 6¾ 90	15	101⅜	101⅞	−0⅛	+0¼	6.32
Gdyr Tr & Rubber 7⅛ 95	25	101⅛	101⅝	0	+0⅞	6.92
Mort Bk Denmark 7 92	10	101½	102	−0¼	+0¼	6.66
New Brunswick 7⅛ 95	10	103	103½	−0⅛	+0⅝	6.66
Swed Exp Cred Zero 90	14	72⅝	73⅛	−0⅛	+0⅜	6.53

Average price change On day −0⅛ on week +0½

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aust & NZ Bk 12¾ 90SA	100	102⅝	103⅜	0	+0⅜	11.85
Aust Gas & Light 13 92 SA	50	99⅜	100⅜	0	0	13.02
N S Wales Tsy 12⅞ 92SA	75	99⅝	100⅝	0	+0½	12.82
½ Sth Aust Govt 12⅝ 91SA	50	94⅝	95⅝	0	+0⅛	13.87
Amex 10¾ 90 CS	50	99⅛	99⅞	0	0	10.86
CIBC 10¾ 90 CS	75	†96⅛	99⅛	−0¼	−0¼	11.12
Sears Acc. Co 10⅝ 92CS	75	†95½	96½	−0¼	−0¼	11.48
Winnipeg City 10⅝ 90CS	50	99¼	100	−0⅛	+0⅛	10.71
Chrysler Fin Corp 17 90NS	65	93	95	0	0	18.95
K.O.P. 16¾ 91 NS	50	89½	90½	+0¼	−2	19.25
Privatbanken 16⅝ 88 NS	50	96	98	0	+1½	17.73
Creditanstalt 8⅞ 94ECU	68	99¾	100¼	−0⅛	+0⅛	8.87
Morgan Gty 8½ 90 ECU	100	98⅞	99⅝	−0⅛	−0⅛	8.69
Sec Pac Aust 8¾ 90 ECU	100	98½	99	0	0	9.07
ITT Corp 7 90 FL	100	101¼	101¾	0	+0⅛	6.58
Mafina 7 90 FL	100	101⅜	101⅞	−0⅛	0	6.59
Thyssen 7¼ 90 FL	50	101¾	102¼	−0⅛	+0⅝	6.76
Wereldhave 7½ 90 FL	75	102	102½	0	+0⅛	6.93
Wessanen 6¾ 90 FL	50	99¼	99¾	0	0	6.87
IBM France 11⅛ 90 FF	700	99⅛	99⅝	−0⅛	+0⅜	11.27
Australia Comm 11 92 £	40	100¼	100¾	−0⅛	+0½	10.86
BP Capital 10¾ 92 £	50	99⅝	100⅛	−0⅛	+0¾	10.78
E.I.B. 11⅛ 93 £	50	100⅝	101⅛	−0⅛	+0½	10.92
GMAC UK Fin 10½ 90 £	30	98⅝	99⅛	−0⅛	+0⅜	10.79
Imp Chem Inds 11¼ 95 £	75	100⅜	100⅞	−0⅛	+0¾	11.14
Imp chem Inds 10¾ 92 £	75	97⅝	98⅛	−0⅛	+0⅜	11.20
Mcdonalds 10⅞ 90 £	40	100½	101	0	+0¾	10.52
Mitsubishi Fin HK 11 90 £	50	99⅞	100⅜	−0⅛	+0½	10.98
Privatbanken 11⅞ 92 £	20	100⅝	101⅛	+0¼	+0½	11.64
Rank Xerox 11 92 £	40	99⅞	100⅜	+0¼	+1	10.94
Royal Ind 10¾ 92 £	60	97	97½	0	+0½	11.33
Star Drug Cap 10⅞ 90 £	30	99⅞	100⅜	−0⅛	+1⅛	10.89
Tricentrol XW 11 92 £	35	95	95½	0	+0⅞	12.04
Trusthouse Forte 11⅛ 90£	50	99½	100	0	+0⅝	11.16
World Bank 11¼ 95 £	100	101¾	102¼	−0¼	+0¼	10.98
E.C.S.C. 10½ 94LF	100	103⅝	104⅝	0	+0⅛	9.77
Nat Lux Alum 10½ 92 LF	600	104⅛	104⅞	−0⅛	+0⅛	9.58

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Banco di Roma 5¼ 92	0	†99¾	100	27/8	8.04	8.05
BankAmerica O/S 5¼ 96	0⅛	99⅞	100⅛	30/9	8⅛	8.13
Bankers Trust 5 2000	0	99¾	100	11/12	8.44	8.45
Bankers Trust 5¼ 96	0⅛	100¼	100½	13/11	8.31	8.28
B.F.C.E. 5¼ 99	0⅛	100⅝	100⅝	13/12	8¾	8.71
B.N.P. 5¼ 99 (July)	0¼	100	100¼	22/1	8¼	8.24
						8.41⅛
C.C.F. 5¼ 97	0	99¾	100	27/8	8.06	8.07
Chase Man'tn 5 2000	0	99¾	100	12/11	8⅛	8.14
Chase Man'tn 5¼ 2009	0⅛	100	100¼	5/12	8.44	8.41⅛ 0
Ireland 5¼ 97	0	100	100¼	26/10	9.69	9.68
Ireland 5¼ 99	0	100¼	100½	16/3	8.94	8.90
Italy, Republic 5 94	0⅛	100	100¼	12/11	8¼	⅛8.86
Lloyds Bank 5¼ Perp	0¼	100	100¼	8/12	8	7.99
Midland Bank Perp 5	0¼	98½	100	19/12	8⅛	8.15
Nat West Perp A 5¼ S	0¼	99¾	100	9/1	8¼	⅛
Roy Bk Canada 5 2005	0⅛	99¾	100	7/10	8¼	8.26
Roy Bk Scot 5¼ 2005 £	0	99⅛	99⅜	1/11	11.69	11.78
Sweden Perp 5¼	0¼	100	100¼	9/1	8.31	8.30
Tokai 5¼ 99	0⅛	100⅜	100⅝	12/12	8⅛	8.08

Average price change On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1053.84	111¾	112¾	−0⅝	2.58
Comcast 7 2000	12/85	23.875	†103¾	104½	+0½	27.40
Fanuc 3¾ 98	1/84	7052.3	154½	156	−0⅛	30.62
Fuji Hvy Inds 3 2000	8/85	676	100	101	−1⅛	−3.86
Fujitsu 3 99	5/84	1320.9	81	82	+0⅞	19.23
Kumagai Gumi 3½ 2000	3/85	600	100⅜	101⅞	+7⅜	2.94
Marui 3½ 99	7/84	1182	134	135	+1¼	−0.41
Mitsubishi Elec 2⅞ 00	3/85	422	92¼	93½	+0⅜	1.46
Murata 3½ 2000	7/84	2398	98⅛	99⅛	+0¼	32.07
Nippon Elec 2⅞ 2000	1/85	1295	85¼	86¼	−0¼	31.26
Nippon Oil Co 3 2000	5/85	923	88½	89½	−1⅝	−2.39
Old Elec Ind 3½ 99	10/84	805	85½	86¾	−0⅝	25.14
Orient Leasing 5¼ 98	6/83	2680	94½	95½	−0½	−4.18
Sekisui House 3 99	6/84	612	154⅛	155⅜	−1⅛	1.15
Sumitomo Bank 2¾ 2000	8/85	2142	96	97	−0¾	13.52
Sumitomo Corp 2⅞ 99	5/84	593	123¼	124½	+4⅛	1.16
Taiyo Yuden 3¼ 2000	3/85	1078	†82	84	−1	−4.80
Takeda Riken 3⅜ 2000	10/84	7663	†77	79	−1	24.41
Tokyo Sanyo Elec 3½ 99	12/84	772	92⅜	93⅝	−0½	10.14
Toshiba Ceramics 3 2000	4/85	1734.2	80	81½	−0⅛	10.75
Nippon Oil Co 2⅛ 92 SF	3/84	1052	†100	101	+1	33.65
Nippon Shinpan Co 2 92 SF	3/84	801	†97½	98	−1⅜	12.86
Asics 5 92 DM	12/83	520	106⅝	107⅞	−0⅛	22.39
Sun Realty 6¾ 92 DM	2/83	338	†395	396	+6	−1.98

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn = current coupon. C.yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Pechiney to strengthen packaging interests

BY PAUL BETTS IN PARIS

PECHINEY, the French nationalised aluminium group, is further strengthening its interests in the packaging business with a joint venture agreement with Alusuisse, the Swiss group, to manufacture components for aluminium tubes and aerosol cans.

The French company has just signed a letter of intent with Alusuisse indicating it will take a majority stake in Alusuisse's aluminium draft production facility at Beaurepaire in eastern France. Pechiney will acquire a 51 per cent interest in the plant, but Alusuisse, with 49 per cent, will join it in modernising and doubling the plant's capacity to 15,000 tonnes a year.

The aluminium drafts produced by the plant are the basis for making soft tubes for toothpaste and for aerosol cans.

Under the preliminary agreement, the Beaurepaire plant will be supplied with raw material by Pechiney's large complex at Saint Jean de Maurienne in Savoy, where the French company has just invested FFr 1bn ($121m) to modernise the aluminium complex.

Pechiney has been actively diversifying its basic aluminium production operations by developing in related sectors such as packaging, among others. Traditional aluminium products now account for only 53 per cent of the group's sales, which in the first half of this year totalled FFr 19.2bn.

The French group has also been internationalising its packaging operations with acquisitions in West Germany, Italy, the UK and the U.S.

No dividend likely at Oerlikon

BY JOHN WICKS IN ZURICH

GROUP sales of Oerlikon-Buehrle, the Swiss-owned industrial concern, are reported unlikely to reach the 1984 record of SwFr 4.93bn ($2.19bn).

A marked fall in the turnover of the military products and aircraft division would hardly be compensated for by improved business in other sectors of activity, the Zurich-based parent company, Oerlikon-Buehrle Holding, said.

Dr Dietrich Buehrle, chairman, says in a letter to shareholders that no improvement in consolidated earnings should be expected for 1985. Last year, these had amounted to some SwFr 15m, following a group loss of SwFr 88.7m in 1983.

This means that the holding company, whose 1984 net profits amounted to only SwFr 1.3m, will probably again have to pass a dividend for the year. Shareholders last received a pay-out in respect of 1982.

In the military products division, which last year accounted for over 37 per cent of group turnover, unsatisfactory order volume will lead to a drop in sales of more than 20 per cent.

However, the interim report says that interest has grown in the company's Adats anti-aircraft system in recent weeks. The good prospects for this system are said to call for an increase in investments by the group, which has already devoted large sums of money to developing Adats.

AIBD BOND INDICES

WEEKLY EUROBOND GUIDE SEPTEMBER 20 1985

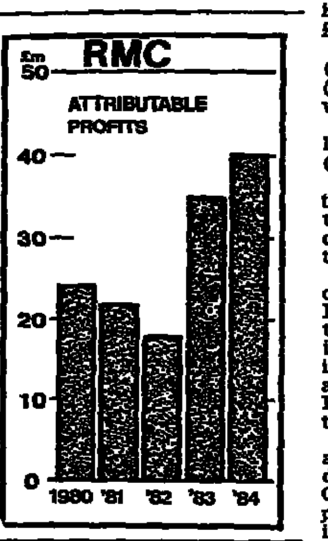
	Redemption Yield	Change on Week %	12 Months High	12 Months Low
US Dollar	10.828	0.262	12.953	10.629
Canadian Dollar	11.810	0.406	13.524	11.526
Euroguilder	6.400	1.565	7.879	6.249
Euro Currency Unit	9.315	1.091	11.272	9.189
Sterling	10.897	−0.251	11.715	10.809
Deutschemark	6.895	−0.127	7.876	6.856

Bank J. Vontobel & Co Ltd, Zurich - Telex: 812744 JVZ CH

UK COMPANY NEWS

RMC plunges by 20% midway

Mr John Camden, chairman of RMC



BAD WINTER weather in the UK and the building recession in West Germany are blamed by RMC Group for a 20 per cent reduction in pre-tax profits to June 30 compared with £31.7m last time.

The group, manufacturer of ready-mixed concrete, and with other interests including sand and aggregates, building materials, road surfacing and housing and industrial sub-contracting, increased turnover by 9.5 per cent to £601.8m (£549.9m).

Earnings a share were down to 14.7p (16.6p) but the interim dividend is being raised 0.2p to 4.6p.

Mr John Camden, chairman, says trading levels for the second-half are expected to be broadly in line with the same period of last year, which produced pre-tax profits of £46.9m on turnover of £625.

In West Germany, where operating profits dived to £0.4m (£5.7m) on turnover of £139.3m (£138.7m), volumes of ready-mixed concrete fell by more than 25 per cent. The cement company lost £2.6m compared with a £5.7m profit.

Mr Camden says that, while such a rate of deterioration is not expected to continue in the second-half, the level of construction activity will remain low for the foreseeable future.

To counteract the decline, he says, Readymix AG, its West German subsidiary, has radically reviewed operations, which accounts for an extraordinary debt of £1.1m. RMC expects the company to return to profit in the second-half.

Rheinisch - Westfälische Kalwerke AG, its limestone operation, continued to trade satisfactorily, making profits of £3m. In January, RMC bought a controlling interest in it and the results of its operations in West Germany and the Netherlands are consolidated in the interim figures; previously, RMC's 49 per cent interest was included under related companies.

In the UK, he says, where operating profits were down to £20.9m (£22.8m) in the first-half on turnover of £289.6m (£269.7m), the level of work in the construction industry remains far from satisfactory.

The group has recouped the volumes lost in concrete and aggregates as a result of the bad weather in January and February, but this was expensive, he says, and margins have not improved to cover it. The builders' merchants were also hit by the weather but waste disposal, aerated concrete and DIY continued to make satisfactory progress.

Group operating profits totalled £31.2m (£34m). Pre-tax profits were struck after operating expenses of £120.7m (£116.8m), a related companies' loss of £0.1m (£1.7m earnings) and net interest payable of £5.9m (£4.3m), but including investment income of £0.2m (£0.3m).

Tax accounted for £10.6m (£14.8m) and minorities £0.8m (£2.1m). Attributable profits were £12.9m (£14.8m).

Depreciation and depletion of land accounted for £24.2m (£22.6m).

Group activities in other countries fared better than those in the UK and West Germany, with operating profits up 80 per cent to £9.9m (£5.5m).

In the U.S., says Mr Camden, operations continue to progress. In France and Spain, rationalisation in previous years led to increased profits. There was also improvement in Austria, Belgium and the Republic of Ireland. Israel, too, achieved a satisfactory result.

However, trading in Trinidad and Hong Kong continued to be difficult. Shares in Ready Mixed Concrete (HK), a related company in Hong Kong, were sold in July to the holders of the other 50 per cent (wholly-owned subsidiaries of Hutchison Whampoa) for a total consideration, including loan repayments, of HK $86.5m. The result of the transaction will be included in the accounts for the year.

Mr Camden, who has combined the posts of chairman and group managing director since 1974, is to relinquish the managing directorship from next January. He will be replaced by Mr P. J. Owen, who is in charge of the concrete and aggregate operations in the UK and U.S. development. Mr Camden says the change is necessary because of the group's expansion, both in the UK and overseas.

See Lex

Bank of Scotland increases 25% to £45m

Bank of Scotland, the fast growing Edinburgh-based clearer, has increased first-half taxable profits by just over 25 per cent from £35.6m to £44.7m.

All of the advance stemmed from the parent bank, Bank of Scotland, while North West Securities contributed slightly less at £8.5m, against £8.7m, and the British Linen Bank fell £0.5m to £1.2m.

The interim dividend is being raised from an adjusted 5.07p to 5.5p, which is covered fourfold by earnings up from 18.8p to 21.9p per share after tax of £19.8m (£17.6m).

The profit for the six months to end-August 1985 was in line with the £44.8m attained in the second half of last year, which benefited from several exceptional factors, and was struck after a modest £0.7m reduction to £18.3m in bad debt provisions—the specific provision was £15.7m (£15.5m) and the general provision was £2.6m (£3.5m).

The parent bank's domestic branches continue to service higher volumes of business; earnings in International Division were buoyant, the directors state.

Despite that mortgage rates "were deliberately not raised" in line with building society rates during the early months of this year, the results for the period were ahead of the preceding six months.

Average sterling lending showed an increase of 15 per cent; the average lending in currency rose by 4 per cent over the figure a yar ago. e

Net interest earnings grew by 14 per cent and commissions were 24 per cent higher although in monetary terms the benefit was more than offset by a 13 per cent increase in expenses.

The increase in expenses arose largely from a requirement to take on additional staff. The bank's money market cheque account, the directors say, has progressed well since its launch as the first such product from a clearing bank two-and-a-half years ago.

The group plans to introduce a savings-related stock option scheme, an executive stock option scheme and the amendment of certain of the regulations for the administration of the bank. This will require an extraordinary general meeting on October 15.

The British Linen Bank, the group's merchant bank, continues to build new connections in the corporate finance and investment banking fields.

● comment

Those in the market who thought Bank of Scotland could make a £100m profit this year may have to shave their forecasts in the light of yesterday's interim statement. The 25 per cent profits rise was well up to the mark but within the statement there were a few pointers to a slightly quieter second half (in terms of growth) and the year end might be closer to £95m. The core banking business produced a 39 per cent profits increase, with the help of a major contribution from the international division which was given an extra shove from currency plays. Domestic banking fared well enough but the decision of earlier years to clamp down on costs has had to be relaxed as the infrastructure has come under pressure and the bank finds itself promoting more new products. So costs are rising, even if it is seedcorn expenditure. North West has had a disappointing interim, which may have more than a little to do with the strain of satisfying the massive demand for M & S cards while British Linen has been equally disappointing—but perhaps for less good reason. Assuming the rate of dividend increase is pushed through the year for a total of 13.7p the yield is 5 per cent at 390p—a premium to the sector which is looking hard to justify.

Brown & Jackson recovery continues

Brown & Jackson has continued to recover and has unveiled plans for a return to the dividend list.

Taxable profits for the first six months of 1985 improved from a restated £215,000 to £312,000 on turnover down considerably from £53.5m to £38.41m. The company is engaged in marketing and distribution and commodity trading.

The directors are submitting a resolution to shareholders for a reduction in the share premium account to eliminate the deficit on revenue reserves which will lead to the resumption of dividends.

Earnings per share for the period were virtually static at 0.22p, against 0.26p, after tax of £30,000 (£43,000).

The directors say first half trading was satisfactory with the commodity trading subsidiary turning in a small profit, on a much reduced turnover, after heavy losses in 1984.

Phillips Patents turnround

Based on management accounts Phillips Patents (Holdings) swung from losses of £177,200 to pre-tax profits of £30,604 in the six months to September 1, 1985.

Mr J. A. Rowland-Jones, the chairman, tells shareholders in his interim report that this is the best start to a year for over 10 years.

The group's principal activities are manufacturing and factoring of footwear components, rubber compounds and meteorological balloons.

The manufacturing side cut its losses from £140,814 to £7,046 while the contribution from property development and investment rose from £18,107 to £37,650. Figures for the comparable period included losses of £54,493 by Baby Deer, sold last February.

First Castle in £1m U.S. acquisition

First Castle Electronics is extending its presence in the with an agreed offer for Massachusetts-based T.G.M. Detectors.

Consideration for the acquisition is to be satisfied by the allotment of 1,027,273 new ordinary shares of First Castle. The new shares are to be placed by Quilter Goodison at 97p per share, yielding to the vendors maximum proceeds of $1.41m (£988,000).

The agreement provides for the vendors to make a cash payment to First Castle in the event that profits for the period to January 31, 1987 fall below a specified minimum level, subject to a maximum payment of $600,000.

T.G.M. is engaged in the manufacture and marketing of a range of nuclear radiation detectors (geiger counters).

RTZ raises net earnings in first half to £115m

Rio Tinto-Zinc Corporation, the UK-based international mining and industrial group, raised net attributable profits by some 15 per cent from £100.1m to £114.7m for the first half of 1985. Earnings per share increased from 32.33p to 37.03p and the interim dividend is up 0.5p at 7p net.

Earnings of the group's industrial and energy sectors — the latter increased by the acquisition of 29.8 per cent of Enterprise Oil in July, 1984—contributed some 70 per cent (68 per cent) of the latest net earnings. Industrial and energy earnings are expected to show some improvement overall in the second half.

On the mining side, results improved thanks to a substantial increase in Australian iron ore earnings, although lower revenue came from aluminium, lead, zinc and steel. U.S. prices of precious and base metals were generally below those of a year ago, but exchange rate movements resulted in maintained, or slightly increased prices in terms of local currencies.

RTZ says that while the sterling-U.S. dollar rate used for currency translation at June 30 was little changed from that of a year ago, the Australian dollar rate was 24 per cent lower, while that of the South African rand was 40 per cent down.

It is added that the group's interests in Namibia, South Africa and Zimbabwe together account for about 5 per cent of attributable assets world-wide, 2 per cent being in South Africa.

The major swings in exchange rates have benefited earnings, but RTZ points out that there are associated balance sheet movements arising from the retranslation of foreign currency assets and liabilities which do not form part of the reported attributable earnings.

The major part of these movements (which include provisions for future repayment of foreign currency debt) is charged against reserves. As in previous years, this will be reflected in the accounts for the full year.

See Lex

PRODUCT ANALYSIS OF FIRST-HALF RESULTS

	Turnover 1985 £m	Turnover 1984 £m	Attributable profit 1985 £m	Attributable profit 1984 £m
Metals	809	709	48	42
Industrial	857	890	67	73
Energy	272	179	43	17
Miscellaneous	—	—	†43	†32
Total	1,938	1,778	115	100

† Debit.

Radius joining USM via placing

SMALL COMPUTER companies are once again joining the USM after a gap of several months, but on ratings considerably lower than similar companies would have commanded a year ago.

Next week Radius, a supplier of computer systems, will join the market on a price earnings multiple of about 13½, following yesterday's entry of Electronic Data Processing on a multiple of 11.

Radius, which is being brought to the USM by Samuel Montagu, is likely to have a market value of about £10m. The company supplies complete multi-user computer systems and maintains both the hardware and the software of its systems once they are in place.

The systems, which are based on mini-computers, are supplied directly to customers, most of whom are referred by accountancy or consulting firms. Radius has developed its own software applications, chiefly business accounting systems, supplying its customers with both packaged and tailor-made software.

The company differs from many of its competitors by the high percentage of sales which derive from maintenance — last year more than a third of turnover came from hardware and software maintenance and design, which together contributed about 60 per cent of group profits.

Mr Edward Sharp, the chairman, and Mr Michael Roberts, systems and marketing director, formed the company in 1978 as a computer bureau. Since 1980, turnover has grown sharply from about £1m to £5.5m in 1984. The growth in profits has been more erratic, suffering a downturn in 1981 and 1982, which resulted from start up costs of the company's maintenance division, and heavy investment to support increased hardware sales.

In 1984 the company made £538,000, and is forecasting profits of over £900,000 for the current year to November, after having made £524,000 during the first half.

There will be a placing of shares to raise up to £1m in new money, which will be earmarked for acquisition in related areas.

Brokers to the issue are Laing and Cruickshank. The full prospectus will be published on Tuesday, and dealings are expected to start the following Monday, October 7.

Fairbriar coming to market

Fairbriar, the Epsom-based residential homes developer, is coming to the market via an offer for sale of almost 5m shares priced at 120p. The offer values the company at £21.2m and the shares for sale represent 28 per cent of the issued capital.

Concentrating on the Surrey, Sussex and more recently the western area of Greater London, Fairbriar has served the middle and upper end of the housing market with the kind of home previously mainly found only in the renovation market.

As a result of its market research the company has aimed at the high earning professionals with flats and small houses and the established family with its four- to five-bedroom homes.

The price range of Fairbriar's homes varies enormously. At the lower end flats change hands for around £45,000 (in the Croydon area), while the larger homes go for between £85,000 and £180,000. The £60,000 to 70,000 market has been ignored as Fairbriar considers it well served by existing stock and developers.

The company has never entered the timber frame market. It is often willing to take on smaller sites in which topography has discouraged other developers and see its strengths as the broad range of housing types, the low overhead costs (Fairbriar does not act as a mortgage broker, even unofficially, for its customers) and the fast turnround achieved on developments.

Fairbriar was part—it has now been split—of the Starwest privately owned group of companies. Mr Remo Dipre and his wife, who set up the company in 1971, own the outstanding 72 per cent of Fairbriar that is not being offered for sale.

For the year to March 1986, the company is forecasting pretax profits of £3.1m against £2.17m in the last year. The directors expect to recommend a total dividend for this year of 2.75p. Net assets per share, including the estimated net proceeds from the issue of £2.5m, amount to £2.93m, or 16.5p per share.

Bankers are Hill Samuel and brokers are Capel-Cure Myers.

● comment

On the face of it an iche property company coming to the market with a prospective p/e of 11 has to look moderately attractive. However much the rest of the country may feel aggrieved at the South Eat's prosperity it certainly makes for an attractive market in the price and style range being offered. Short of medium term problems emerging at some o fthe more difficult sites (for example the quarry fill at Croydon) the only serious question mark has to be on the potential for expansion. A 70 mile radius of Epsom may not now be seen as limiting but in time could prove so. As even after the listing the shares will remain fairly tightly held by the Dipre's and the market is assured they will not be selling anymore for at least a year, the issue seems priced about right — although some punters might have liked a bit more obvious upside possibilities.

Betec static at halfway

Betec, a manufacturer of fastenings and fastening systems, has had a static first six months with pre-tax profits rising by just £3,000 to £476,000.

During the period, to end-June, the engineering companies continued to make good progress but the component companies had a more difficult time.

No major changes in trading conditions are anticipated for the component activities over the second six months but the engineering operations should continue to make progress.

Turnover for the first half was also little changed, declining from £7.43m to £7.32m.

The interim dividend is held at 0.5p net per 25p share.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Associated Book	int.	2.1	Oct 29	1.88*	—	5*
Bank of Scotland	int.	5.5†	Nov 4	5.07‖	—	12.57‖
Betec	int.	0.5	Nov 14	0.5	—	1.5
S. Casket		1.4	Dec 2	0.64*	2.2	1.9*
Clarke Nickolls	int.	2.1	Nov 18	2.1	—	6.3
Finlay Packaging	int.	0.75	Nov 1	0.75	—	3.25
Fleming Univ	int.	2	Nov 29	2	—	8
Hunting Petroleum	int.	2.5†	Nov 25	2.25	—	8
Juliana's Holdings¶	int.	1.25	Nov 29	1.1	—	2.85
Kalamazoo		1.5	Dec	1.5	2	2
Raine Industries		0.55	Dec 2	0.55	0.75	0.75
RMC Group	int.	4.6	Dec 3	4.4	—	13
RTZ	int.	1	Jan 2	6.5	—	20
Tharsis	int.	2	—	2	—	10
Tilbury Group	int.	1.5	Oct 25	1.4	—	4.8
Wold‡		0.75	Nov 27	—	—	—
H. Young		2.1	Nov 2	Nil	3.15	Nil

Dividends shown in pence per share except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡USM stock. §Unquoted stock. ¶ Gross throughout. ‖ Adjusted for rights.

Development costs delay Associated Book growth

COSTS of improving distribution and other facilities have trimmed back the halftime profit at **Associated Book Publishers.** But in view of the expected benefits, the directors are lifting the interim dividend from the equivalent of 1.875p to 2.1p.

In the first half of 1985 the pre-tax profit came to £2.15m, compared with £2.3m. However, the underlying performance of the group continues to be strong and the directors are confident that the second half, subject to the usual dependence on seasonal trade, will see a resumption of growth.

The acquisition of Routledge & Kegan Paul was completed in the period. Its contribution to the group will be substantial and fully match that anticipated when the offer was made, the directors state. In the three months to June 30 its turnover and trading profit were above expectations at £1.3m and £81,000 respectively.

The group's interim profit has stood one-off relocation costs of three subsidiaries and increased costs of operating in the new locations, the new service facilities and U.S. editorial costs connected with the acceleration of academic publishing.

Turnover in the half year rose by £3.25m to £31.67m, while the operating profit came through at £1.95m, against £2.11m. The latter was split as to UK publishing £1.07m (£638,000), U.S. loss £182,000 (£100,000), UK bookselling loss £446,000 (£66,000), Australia £180,000 (£416,000), New Zealand £60,000 (£117,000), Canada £1.47m (£1.31m), less administration costs £212,000 (£201,000).

UK publishing enjoyed an excellent half year, the directors report. The U.S. made further progress but the loss included £58,000 from RKP. Plans are well advanced for the integration of RKP Inc and Methuen Inc.

In UK bookselling the relocation of Hammick's headquarters to Frimley took place in February. Therefore, it was known that the normal seasonal loss would be aggravated by the attendant costs; in addition, however, trading conditions were less buoyant than expected.

In Australia, exchange rate changes and an abnormal bad debt were adverse factors, and in New Zealand relocation costs were incurred. In both companies the publishing and import programmes lare more heavily weighted towards the second half than last time. Therefore, the directors look to a better and more representative performance for the year as a whole, although note has to be taken the current weakness of the Australian dollar.

The directors have decided to use an average exchange rate when converting overseas profits into sterling, and this comes into effect in the interim figures. Previously the period end basis was used, but it is felt that relying on one isolated day in a year can have a distorted affect in times of rapidly changing rates. On the old basis, the pre-tax profit for the half year would have been £2.02m (£2.27m).

After tax £1m (£1.15m) and minorities £273,000 (£327,000), the attributable profit is £867,000 (£820,000)

● comment

Associated Book Publishers' figures are disappointing in any light. On the period-end exchange rate basis previously used, with Routledge's contribution stripped out and with the "exceptional" currency loss above the line they look still worse. and it was not surprising to see the share price beating a hasty 22p retreat to 238p yesterday. The picture presented by the chairman of a company beset by a number of unavoidable one-off losses appears slightly flawed. True, the £60,000 bad debt in Australia was sheer bad luck, and relocation seldom comes cheap. That said, the management can hardly argue that the currency losses were entirely out of its hands and it is clear that Hammick's move to Frimley has proved to be far more costly than planned. Further, it may be a long time yet before the integration of Routledge and the expensive investment in the U.S. pay off. The underlying trading position appears good but Associated is nonetheless going to be hard pushed to reach £9m this year, even assuming a decent Christmas. The shares had been well upon unrealistic bid speculation but even after yesterday's tumble were looking pricey with the prospective p/e ratio at 13½p.

Raine back to profit: boost from land sales

AN UPLIFT in general trading activities and from certain trading opportunities in land and property has enabled residential and commercial estate developer **Raine Industries** to return to profits for the full year ended June 30 1985.

Drastically affected by the miners' strike, the first half ran up a loss of £97,000. But by the year end, and boosted by an exceptional £298,000 from the sale of surplus land, this had been turned into a pre-tax profit of £408,000, compared with £615,000.

The recovery, the directors say, is continuing into the current year. They are holding the dividend at 0.75p net, with a final of 0.55p.

Turnover in 1984-85 came to £16.83m (£15.6m) from which an operating profit, after investment income, of £851,000 (£945,000) was earned. Interest charges, however, were vastly increased to £741,000 (£330,000), reflecting higher rates

The directors have paid considerable attention to reducing overall borrowings and at the year-end those were some £600,000 lower than 12 months earlier.

After tax £66,000 (£116,000) the net profit comes to £342,000 (£499,000) for earnings of 1.393p (2.216p) per share. On closure of subsidiaries there is £112,000 charged as an extraordinary item

Associates' project costs restrict Juliana's growth

THE COSTS of establishing projects at associated companies have restricted profits growth at **Juliana's Holdings** at the interim stage.

At the pre-tax level they rose by only £19,172 to £581,709 having absorbed a £296,957 share of the associates' losses, compared with £50,987 previously.

The directors point out, however, that as the projects become established losses are being reduced month by month.

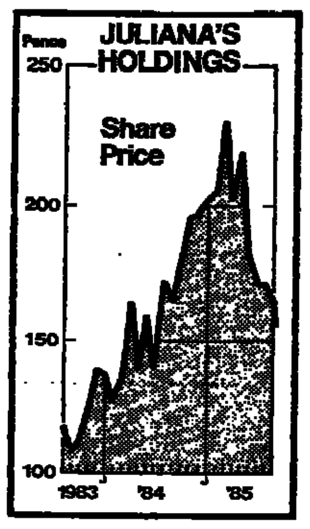
And on the basis that current trends continue over the coming months, they say the associates will be trading profitably by the end of 1985.

Overall, the directors expect the group to show further satisfactory progress in the second six months of 1985 and meanwhile, are proposing to lift the interim dividend from 1.1p to 1.25p gross, an increase of almost 14 per cent.

The group is a contract discotheque operator and the opening six months of 1985 saw its turnover push ahead from £2.9m to £3.94m and its profits, before taking account of the associates' losses, from £613,534 to £878,666.

The improvement reflected encouraging trading in the contract discotheque division and in the group's own nightclubs.

Tax for the half year accounted for £237,357 (£150,874) to leave the available balance £67,311 lower at £344,352. Earnings per 2p share emerged at 2.09p, against last time's 2.49p.



The directors say that following the £7m rights issue of convertible unsecured loan stock in June the group is in a strong financial position, ready to take advantage of the opportunities available to expand its activities in the leisure industry.

The group considers that it is resident for tax purposes in Hong Kong. Unless there is appropriate evidence on non-residence in the UK for tax purposes dividends will be paid after deduction of UK basic rate income tax. Such dividends will not constitute franked investment income.

For the 1984 year as a whole Juliana's raised its pre-tax profits from £1.16m to £1.54m and paid a final gross dividend of 1.75p.

● comment

Investors who stumped up £7m for Juliana's rights issue three months ago must be feeling thoroughly browned-off. The shares are down by 25 per cent since then, as the joint venture with Supersport has been a continual source of problems; and these latest results leave the company's promises of imminent profitability at Raffles and Hot Gossip looking pretty silly. This time, the City may want to reserve judgment on the lates promise of break-even by year end, but even if this is achieved the full year will contain at least £500,000 of associate losses. Meanwhile, the company has proved itself to be as adept at running discos as ever, although the true strength of this business will be sapped this year by a £250,000 or so currency loss, as nearly three-quarters of the revenues are dollar based. In all, Juliana's may make about £1.7m, far short of previous forecasts, which on a 35 per cent tax charge would put the shares on an unreasonably high p/e of about 23. However if things really do come right the following year that rating could drop as low as 11 or 12, making the shares a long term gamble. at 156p.

Profits fall by 35% at Clarke, Nickolls

Clarke, Nickolls & Coombs, property investor and developer, blames a combination of higher interest rates and higher borrowings for a 35 per cent fall in pre-tax profits in the six months to June 30.

In spite of an increase in turnover from £503,000 to £1.2m, pre-tax profits fell to £212,000 against £324,000. Interest charges rose to £298,000 (£115,000).

Earnings a share were down to 2.83p compared with 3.79p but the interim dividend is maintained at 2.1p.

Gross profit increased to £739,000 against £476,000. Administrative expenses of £321,000 (£346,000) left operating profits of £418,000 (£129,000).

Profits in related companies amounted to £62,000 (£226,000) and there was a £5,000 loss in a joint venture £51,000 profit). Interest receivable was £34,000 (£33,000).

Tax took £66,500 against £130,000 but there were no extraordinary items compared with a £8,000 charge.

Mr James Mathieson, chairman, says that, following the sale of its interest in Tom Smith, a Christmas cracker manufacturer, the group is now involved exclusively in property development and investment.

He says the sale proceeds of £650,000 less expenses, attributable to the group, will be applied to working capital needs.

Unigate bids for Arlington

BY DAVID GOODHART

Unigate, the milk and food-based group, has made an agreed offer of 234p a share for **Arlington Motor Holdings,** a motor dealer, based in north London.

The offer, which values Arlington at £10.48m, has been accepted by shareholders controlling just over 40 per cent of the share capital.

The Arlington board is recommending the deal, which represents an increase of about 40 per cent on the market price before the announcement. Arlington's shares were suspended at 167p yesterday morning.

Unigate said yesterday that Arlington would complement its Wincanton Group, a transport, garages and engineering concern, which made pre-tax profits of £8.3m last year on turnover of £260m.

Arlington, with turnover last year of £80m and profits of £1.46m, sells cars and lorries from 16 main sites in the Home Counties. It holds franchises for General Motors and BL in commercial vehicles and Vauxhall, Open and Mercedes Benz in passenger vehicles. It has recently diversified into car auctions.

Mr David Yeomans, Wincanton managing director, says the combined group will be among the top five in the car hire and motor retail sector.

Wincanton owns 21 retail sites and a hire fleet of about 6,000 vehicles. The combined franchises will include seven of General Motors, three Ford and two BL.

The acquisition of Arlington will allow Wincanton to expand into Mercedes franchises, buses and coaches and auctions.

Unigate says it intends to operate Arlington within the Wincanton group but maintain its identity. It also says that the rights, including pension rights, of Arlington employees will be safeguarded.

A company controlled by Mr N. C. Housden, chairman of Arlington, and Mrs H. T. Porritt, the wife of a director of Arlington, has already sold 1.3m shares (29.99 per cent) to Schroder Wagg, Unigate's financial advisers. Unigate's share price fell 1p to 186p.

Bespak settles out of court

Bespak, a manufacturer of aerosol valves, said yesterday that it had reached an out-of-court settlement of a dispute with an unnamed British company which had been handling sales of its fire extinguishers.

Bespak's shares plummeted last week when it revealed that the dispute was likely to seriously affect its first-half results.

However, the company said yesterday that the speed of the settlement would mitigate the effects of the dispute on profits.

Bespak's shares rose sharply on the news, closing at 175p—up 35p on the day but still well below the 225p they stood at before last week's announcement.

Bespak said the settlement meant that, effective immediately, it was able to resume sales of fire extinguishers, which had been halted by the dispute.

Satisfactory terms had been agreed with the sales company for repayment of the debt owed to Bespak over the next six months. Bespak would resume supplying fire extinguishers to the company over the six month period, while at the same time pursuing other sales outlets.

Mezzanine electronics deal

BY CHARLES BATCHELOR

Mezzanine Capital Corporation, the specialist UK financing company set up to fund takeovers and management buy-outs in the U.S., yesterday announced its most ambitious deal, a $94m (£65m) takeover in the electronics field.

Mezzanine is joint partner with Vishay Intertechnology, which makes electronic and optical stress measurement instruments, in the purchase of Dale Electronics, a manufacturer of electronic resistors, from Lionel Corporation.

The two companies are paying $76.86m for 82 per cent of Dale and will offer to buy the remaining shares at the same price of $26.06 a share within 120 days after the closing of the deal.

Mezzanine and Vishay will each put up $3m for a 50 per cent stake in the Dale equity and will both provide a further $12m each of "junior" subordinated notes, described as high-yielding debt instruments near equity in terms of risk.

The remaining $64m of funds will come in the form of debt from U.S. commercial banks and "senior" notes provided by U.S. institutions.

Dale had net earnings of $3.78m on revenues of $60.9m in the first six months of 1985. It is being sold as part of the reorganisation of Lionel, which earlier this month confirmed a plan under chapter 11 of the U.S. bankruptcy code. Dale was not part of the chapter 11 proceedings.

Vishay had net earnings of $7.9m in the year ended June 1985 on revenues of $56.5m.

Mezzanine was set up in June 1983 by means of an offer for sale on the London Stock Exchange sponsored by Charterhouse Japhet, the merchant bank, and Electra Investment Trust.

It has made 12 investments, including Dale, and has sold out two of them at a profit.

KIO reduces stake in Hanson

The Kuwait Investment Office yesterday announced a further small drop in its holding in **Hanson Trust.** It now holds 85.2m shares—about 6.07 per cent.

After Hanson's July rights issue the Kuwait Office emerged as the biggest shareholder with just under 8 per cent.

In July the total holding was valued at £207m. The sale of just under two per cent has realised about £50m.

UK COMPANY NEWS

Hunting Petroleum leaps but warns on second half

Hunting Petroleum Services more than doubled pre-tax profits from £1.43m to £3.02m in the first six months of 1985. However, the company warns that the second half figure is only expected to be similar to that now reported.

This follows changes in oil prices and exchange rates, particularly the recent weakness of both the U.S. and Canadian dollars. A full year result of around £6m, would compare with £5.59m in 1984, of which £4.16m came in the second six months.

Improved results from most of the group's activities contributed to the interim advance. As a result of the better trading performance, the net interim dividend is being raised from 2.25p to 2.5p per share—last year a total of 8p was paid.

The board believes that shareholders should be given the opportunity to receive fully paid ordinary shares in lieu of a cash dividend and details will be given soon.

Turnover for the six months was £119.41m (£115.68m). Group trading profits climbed from £1.54m to £3.03m, before share of associates' losses of £6,000 (£114,000). After tax of £1.27m (£668,000) and minorities of £465,000 (£425,000) the attributable surplus was ahead from £36,000 to £1.29m.

Earnings per 25p share were 8.27p (2.25p) basic, or 7.78p (2.86p) fully diluted.

Gibson Petroleum in Canada has continued the strong trading performance seen in recent years in spite of a weakening of the Canadian dollar against sterling since the end of last year.

Profits growth at Hunting Lubricants & Industrial Products reflects the demand for its range of products and gives the board confidence for the further development of these subsidiaries.

Hunting Oilfield Services results showed an improvement on the corresponding period last year. This has been achieved in spite of a disappointing performance in the U.S. and Far East where further rationalisation measures are under consideration.

Certain activities have not matched expectations. Oil broking experienced very difficult trading conditions in recent months and the group's U.S. oil and gas exploration and production subsidiary suffered from a further fall in prices and additional gas curtailments.

BOARD MEETINGS

TODAY

Interims: Aberdeen Construction, Beauford, Bentalls, Candover Investments, Central Independent Television, F. and C. Pacific Investment Trust, Thomas Marshall (Loxley), Micro Business Systems, Newbold and Burton, Newarthill, Petrocon, Platignum, Shorrock, William Sindall, Stag Furniture, Superdrug Stores, Vickers, W.W., Watts Blake Bearne, Whatman Reeve Angel, George Wimpey, York Mount.

Finals: A.B. Electronic Products, Dowding and Mills, Grattan, Mills and Allen International, Ramar Textiles.

FUTURE DATES

Interims—

Alfa-Laval	Oct 9
City of Oxford Invest. Trust	Oct 16
Comeap	Oct 8
Fothergill and Harvey	Oct 8
Gee (Cecil)	Oct 31
Grampian Holdings	Oct 3
Hammerson Property Investment and Development	Oct 14
Higgs and Hill	Oct 9
Lorin Electronics	Sept 27
Martin (Albert)	Oct 2
Nimslo International	Sept 27
Scenro	Oct 3
Finals—	
Bristol Channel Ship Repairers	Oct 4
Maunders (John)	Oct 10
Murray Ventures	Oct 2

H. Young revamp paying off

SUBSTANTIAL progress has been made by the revamped H. Young Holdings in its development as a group soundly based in distribution and financial services.

Over the 14 months to July 27, 1985, it has made a pre-tax profit of £449,000, so demonstrating the progress achieved to date, and has been able to return to the dividend list — a particularly pleasing aspect, says the chairman Mr John Wilson. The final payment is 2.1p for a total of 3.15p net.

Up to the last quarter of 1984 the company's principal activity was that of a motor distributor. Following a change of management and the adoption of new strategy this was disposed of in a management buy-out and the company acquired Readygas. Other acquisitions have followed, namely, Burlington Investments, financial services, Carroll Radford Holder, a Lloyds insurance broker, and Luc Lancerre et Fils, a wine distribution business.

Mr Wilson says the strategy is to invest in distribution and financial services. The group now has a sound base in both areas with the benefits starting to come from the financial services side during 1985-86.

The chairman says he is delighted with Readygas. The cold weather in January enabled it to far exceed its previous record sales of gas, and the effect on gas sales of the cold snaps in the second half has benefited the results. The tool hire business continues to grow.

Burlington is advising on a number of projects for clients in raising finance, mainly under the Business Expansion Scheme. Increased contributions are expected from the company.

Carroll Radford Holder has been restructured and additional classes of insurance are being offered. The directors anticipate growth in this business.

Luc Lancerre et Fils has contributed to group results and increased profitability is expected.

The disposal of Puttocks, the motor distributor, improved substantially the group's liquidity.

The accounts for the 14 months ended July 27 1985 relate mainly to H. Young Holdings 14 months, Readygas 12 months, Carroll Radford Holder 7½ months, Burlington nine months and Puttocks 6½ months. The previous year to May 31 1984 represents primarily the performance of the motor business of Puttocks. Turnover came to £7.15m (£5.51m) on which an operating profit of £486,000 (£168,000) was achieved.

Casket lifts dividend as profits top £900,000

IN AN exceptionally difficult year, clothing distributor and retailer S. Casket (Holdings) has increased its pre-tax profit from £826,000 to £911,000 for 1984-85. The directors describe this as an excellent result and are lifting the dividend, in effect, from 1.9p to 2.2p with a final of 1.4p.

Weather conditions do not normally affect the business too seriously— but with this year's bad summer it was impossible not to be affected to some degree, the directors stae. Also there was an unavoidable increase in overheads arising from the negative impact on cash flow due to Government changes in the assessment of VAT on imports.

The loss making divisions have been eliminated and organic growth should now come from steps taken to maximise the benefits from Casket's expertise in the trade. It will take some time before full benefits are realised, but the directors are confident that over the next few years the ladies' division will become a substantial part of the business.

Turnover for the year ended June 30, 1985, moved ahead fsom £17.85m to £21.35m. Tax takes £266,000 (£184,000) to leave the net profit at £645,000 (£642,000) for earnings of 5.61p (5.58p) per share. There are extraordinary charges of £77,000 relating to closure of the footwear division.

Finlay Pckg. margins come under pressure

Margins came under pressure at Finlay Packaging in the first six months of 1985. As a result, pre-tax profits showed a reduction from £529,000 to £385,000, on a maintained turnover of £4.59m, against £4.61m.

The company says the result is indicative of the present state of the print and packaging industry, and the high cost of breaking new ground in its product range.

The company's activities comprise colour printing and the converting of paper and board into packaging material.

After tax of £152,000 (£212,000) earnings per 5p share dropped from 3.69p to 2.72p. The net interim dividend is maintained at 0.75p, costing £64,000, and the company says it expects to maintain the 1985 total at last year's 3.25p.

Gabicci ahead of forecast

Gabicci, designer and supplier of menswear, reported record trading for the year to June 19, 1985, and taxable results ahead of the forecast made at the time of the company's USM flotation in November last year.

On turnover up from £5.09m to £6.11m, pre-tax profits were £736,000, an increase of 33 per cent on the previous year's £553,000. From earnings per 5p share of 7.3p, a final payment is being proposed of 1.9p, making the total for the year 2.8p.

During the year, described by Mr Jack Sofier, chairman, as most exciting, the company has continued to progress at a highly satisfactory rate. The totally coordinated Concept label gained momentum, concession trading was successful with the number of Horne stores, in which it operates doubling, and a move into mail orders.

An experienced export manager has been appointed to lead Gabicci's export drive primarily into Europe and then beyond.

The tax charge was £324,000 (£272,000) and there were extraordinary debits last time of £98,000.

Mr Sofier says that this year deliveries and sales for autumn 1985 are satisfactorily ahead of last year.

Yearling bonds

Yearling bonds totalling £5.25m at 10 11/16 per cent, redeemable on October 1, 1986, have been issued by the following local authorities. Daventry District Council £0.5m: Kirklees Metropolitan Borough Council £2m: Castle Point DC £0.25m: East Staffordshire DC £0.5m: Lancaster City Council £0.5m: Llanelli (Borough of) £0.25m: Beverley BC £0.5m: West Wiltshire DC £0.5m: Eastbourne BC £0.25m.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1984							
2nd qtr.	102.4	100.4	106	110.2	130.1	3,026	154.0
3rd qtr.	102.3	101.3	107	111.1	133.3	3,076	165.1
4th qtr.	103.4	101.2	105	113.6	164.0	3,103	166.5
1985							
1st qtr.	105.7	102.4	102	112.6	133.9	3,138	157.5
2nd qtr.	107.7	102.7	97	114.9	141.4	3,174	169.5
January	105.2	101.8	97	111.6	134.4	3,124	157.2
February	105.0	102.1	108	112.0	130.2	3,144	156.1
March	106.8	103.2	102	113.8	136.5	3,147	159.2
April	107.7	102.6	90	114.1	140.3	3,176	166.7
May	107.9	102.0	97	114.6	142.0	3,177	167.1
June	107.5	103.6	102	116.0	141.3	3,169	174.8
July	106.4	101.5		116.1	146.9	3,175	179.7
August				116.1		3,182	179.4

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1984							
2nd qtr.	101.6	96.8	105.5	98.8	107.6	97.7	18.6
3rd qtr.	102.0	97.7	104.6	100.2	110.8	98.2	16.2
4th qtr.	102.5	98.3	106.1	99.7	107.3	98.4	13.3
1985							
1st qtr.	102.3	101.8	108.9	103.0	112.1	98.9	13.8
2nd qtr.	102.0	102.7	112.9	103.4	121.6	99.3	18.6
January	101.8	100.7	106.7	102.0	110.0	98.0	11.7
February	102.4	101.0	107.9	103.0	111.0	99.0	13.2
March	102.6	103.6	110.2	104.0	115.0	100.0	16.6
April	101.7	102.3	113.1	103.0	120.0	99.0	17.9
May	101.1	102.5	113.9	103.0	122.0	98.0	19.9
June	103.2	103.4	111.7	104.0	123.0	102.0	17.9
July	100.8	101.5	111.5	101.0	120.0	99.0	18.3

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1984							
2nd qtr.	109.1	119.7	−1,171	−109	+1,543	97.3	15.51
3rd qtr.	109.9	122.7	−1,615	−363	+1,804	97.2	15.26
4th qtr.	119.7	129.1	−1,313	+424	+1,468	96.6	15.52
1985							
1st qtr.	120.5	128.5	−1,283	−535	+1,862	96.2	14.80
2nd qtr.	120.3	125.7	−222	+1,278	+2,361	97.9	14.11
February	123.6	127.5	−241	−12	+675	95.9	15.35
March	119.6	136.8	−977	−704	+260	96.3	12.53
April	121.5	129.7	−259	+242	+684	97.0	14.03
May	121.4	120.8	+252	+752	+835	98.0	13.98
June	118.4	126.9	−216	+284	+842	98.8	14.32
July	116.9	122.6	−56	+344	+693	99.5	14.26
August			−194	+206			14.26

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1984							
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,876	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,813	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,946	9.63
1985							
1st qtr.	2.2	0.7	9.1	13.2	1,511	3,146	13.85
2nd qtr.	5.1	32.4	20.4	19.2	1,523	3,081	12.50
January	5.0	9.0	13.6	16.3	823	1,168	14.00
February	3.1	−5.0	4.6	13.3	474	1,013	14.00
March	−1.3	−1.2	9.2	16.0	214	965	13.50
April	5.4	22.2	18.8	19.5	507	1,061	12.63
May	4.2	33.2	18.4	17.7	615	1,042	12.63
June	5.7	44.6	25.1	20.2	401	978	12.50
July	4.4	19.1	8.3	16.8	658	1,126	11.50
August	2.4	22.7	14.9	22.2	524		11.50

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1984							
2nd qtr.	155.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	158.6	134.1	132.8	353.9	328.8	288.95	78.0
4th qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1
1985							
1st qtr.	165.4	146.2	136.6	362.9	332.8	295.22	72.0
2nd qtr.	170.3	138.6	139.4	375.3	339.4	278.13	78.9
January	163.4	145.3	135.9	359.8	330.6	296.98	71.5
February	164.6	147.6	136.6	362.7	332.5	295.73	71.3
March	168.1	145.5	137.5	366.1	335.4	295.22	73.3
April	169.4	140.8	139.2	373.9	338.8	295.08	78.0
May	169.4	138.8	139.5	375.6	339.3	279.98	78.7
June	171.9	136.7	139.6	376.4	340.1	278.13	79.9
July	173.7	134.0	140.0	375.7	335.3	259.51	83.6
August		132.9	140.2	376.7	335.3	254.34	81.6

* Not seasonally adjusted.

BASE LENDING RATES

A.B.N. Bank	11½%	■ Hambros Bank	11½%
Allied Dunbar & Co.	11½%	Heritable & Gen. Trust	11½%
Allied Irish Bank	11½%	■ Hill Samuel	§11½%
American Express Bk.	11½%	C. Hoare & Co.	11½%
Henry Ansbacher	11½%	Hongkong & Shanghai	11½%
Amro Bank	11½%	Johnson Matthey Bkrs.	11½%
Associates Cap. Corp.	12 %	Knowsley & Co. Ltd.	12 %
Banco de Bilbao	11½%	Lloyds Bank	11½%
Bank Hapoalim	11½%	Edward Manson & Co.	12½%
BCCI	11½%	Meghraj & Sons Ltd.	11½%
Bank of Ireland	11½%	Midland Bank	11½%
Bank of Cyprus	11½%	■ Morgan Grenfell	11½%
Bank of India	11½%	Mount Credit Corp. Ltd.	11½%
Bank of Scotland	11½%	National Bk. of Kuwait	11½%
Banque Belge Ltd.	11½%	National Giro Bank	11½%
Barclays Bank	11½%	National Westminster	11½%
Beneficial Trust Ltd.	12½%	Northern Bank Ltd.	11½%
Brit. Bank of Mid. East	11½%	Norwich Gen. Trust	11½%
■ Brown Shipley	11½%	People's Trust	12½%
CL Bank Nederland	11½%	PK Finans Intl. (UK)	12 %
Canada Permanent	11½%	Provincial Trust Ltd.	12½%
Cayzer Ltd.	11½%	R. Raphael & Sons	11½%
Cedar Holdings	12 %	Roxburghe Guarantee	12 %
■ Charterhouse Japhet	11½%	Royal Bank of Scotland	11½%
Choulartons**		Royal Trust Co. Canada	11½%
Citibank NA	11½%	■ J. Henry Schroder Wagg	11½%
Citibank Savings	¶12½%	Standard Chartered	‖11½%
City Merchants Bank	11½%	TCB	11½%
Clydesdale Bank	11½%	Trustee Savings Bank	11½%
C. E. Coates & Co. Ltd.	12 %	United Bank of Kuwait	11½%
Comm. Bk. N. East	11½%	United Mizrahi Bank	11½%
Consolidated Credits	11½%	Westpac Banking Corp.	11½%
Continental Trust Ltd.	11½%	Whiteaway Laidlaw	12 %
Co-operative Bank	*11½%	Williams & Glyn's	11½%
The Cyprus Popular Bk.	11½%	Yorkshire Bank	11½%
Duncan Lawrie	11½%		
E. T. Trust	12 %		
Exeter Trust Ltd.	12 %		
Financial & Gen. Sec.	11½%		
First Nat. Fin. Corp.	13 %		
First Nat. Sec. Ltd.	13 %		
■ Robert Fleming & Co.	11½%		
Robert Fraser & Ptns.	12½%		
Grindlays Bank	‡11½%		
■ Guinness Mahon	11½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.00%. 1-month 8.50%. Top Tier—£2,500+ at 3 months notice 11.25%. At call when £10,000+ remains deposited.
† Call deposits £1,000 and over 8% gross.
‡ 21-day deposits over £1,000 9.25%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand deposits 8%.

Public Works Loan Board rates

Effective September 25

Years	Quota loans repaid by EIP†	Quota A‡	Quota at maturity§	Non-quota loans A* repaid by EIP†	Non-quota A‡	Non-quota at maturity§
1	—	—	10⅝	—	—	11⅛
Over 1, up to 2	10¼	10⅝	10⅝	11⅛	11⅛	11⅛
Over 2, up to 3	10⅜	10⅝	10⅝	11⅛	11⅛	11⅛
Over 3, up to 4	10⅝	10⅝	10⅝	11⅛	11⅛	11⅛
Over 4, up to 5	10⅝	10⅝	10⅝	11¼	11¼	11¼
Over 5, up to 6	10⅝	10⅝	10¾	11¼	11¼	11¼
Over 6, up to 7	10⅝	10⅝	10¾	11¼	11¼	11¼
Over 7, up to 8	10⅝	10¾	10¾	11¼	11¼	11¼
Over 8, up to 9	10⅝	10¾	10¾	11¼	11¼	11¼
Over 9, up to 10	10⅝	10¾	10⅞	11¼	11¼	11¼
Over 10, up to 15	10¾	10¾	10¾	11¼	11¼	11
Over 15, up to 25	10¾	10⅝	10⅝	11¼	11	10⅞
Over 25	10¾	10⅝	10⅝	10⅞	10⅞	10⅞

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

Bristol Oil stays confident in spite of £1.4m losses

Bristol Oil & Minerals, troubled oil and gas explorer and developer, recorded pre-tax losses of £1.44m in the six months to June 30 compared with profits of £1.37m last time.

It blames the result on £614,000 in trading losses on barite sold from China to the U.S. and on net interest expenses of £465,000 (£336,000).

Earlier this year, Bristol's accounts for 1984 were qualified by its auditor, Price Waterhouse, and an unaudited attributable profit of £3.2m was turned into a £3.8m loss following write-downs and provisions totalling £7m.

The group says it has made considerable progress this year in building up its business and in selling assets" to reduce borrowings. It expects to make further announcements soon.

The second-half should show a significant improvement, it says.

In the first half turnover increased to £3.66m (£3.44m). Gross losses were £181,000 against a £773,000 profit. Administrative expenses were £798,000 (£1.2m). There was no share in the profits of a subsidiary sold in 1984 (£480,000) and no profits from investment dealing (£1.65m).

Interest received was £241,000 (£244,000). Tax took £3,000 (£550,000) but minorities took nothing (£205,000 credit). There were no extraordinary credits (£1.58m).

Losses a share were 3.57p against earnings of 2.74p and again there is no dividend. Dividends have not been paid since 1982.

● comment

Lack of hope springs eternal at Bristol Oil. Once a modest bitumen outfit that dabbled, under Mr Paul Bristol's guidance, unsuccessfully in oil services, it now aims to be an oil exploration and production company by the year-end. But while the company is out of mud (Venezuela has been closed and Malaysia sold off) the best it can offer in the short term is realisations on asset disposals. The only success in oil exploration to rate is an onshore discovery in Indonesia—but some of this had had to be sold off to Singaporean interests to help keep Brisol going. At the year-end what joy there is will lay below the line—some Medway acreage will be sold and there will be other bits and pieces—so no one is risking a forecast for the pre-tax. It would seem unlikely that the first half's loss could be recovered in spite of lower interest charges and administration bills. The City has also not forgotten last year's clash over the accounts with Price Waterhouse. Speculators have been interested in the stock from time to time but they like to see a sharp rise every now and then to keep them interested. At 17p the shares are for hardened gamblers only.

John Howard lifts Doris stake

BY ANDREW FISHER

John Howard, the UK civil engineering company, has paid £750,000 for a further 5 per cent stake in **Howard Doris**, the off-shore rig-building concern, and intends to buy a further 20 per cent to bring its shareholding up to 75 per cent.

It bought the latest 5 per cent from C. G. Doris, the French partner. Early this year, it paid £4m for the 25 per cent of Howard Doris held by Fairclough Construction, part of Amec. It will buy the extra 20 per cent on May 1 1986.

Howard Doris recently bought two yards on the UK east coast for £7.5m. It already has a large fabrication centre at Loch Kishorn in north-west Scotland. It said yesterday it had also sold its 25 per cent stake in RGC Offshore, with a yard at Methil Fife, back to Trafalgar House for £5m.

The east coast facilities bought this summer by Howard Doris were Wallsend Slipway Engineering on Tyneside and Sea and Land Pipe Lines (SLP), based in Lowestoft, Suffolk.

John Howard, whose shares floated on the over-the-counter market nearly a year ago, said Howard Doris, with its new acquisitions and present facilities, was now capable of building a wide range of structures and accommodation and equipment modules for the offshore oil and gas industry.

Demand for Howard Doris's products and services was expected to be at a high level, said its new majority owner. This month, Sedco of the U.S. chose Howard Doris as the site to build a new design of semi-submersible oil production vessel.

Work at the Kishorn yard, however, awaits an oil company order placed with Sedco. The yard, with a workforce of some 800, is working on a £16m order for modules to go on the top of Texaco's Alwyn "B" platform.

Kalamazoo profits static at £1.66m

Profits of **Kalamazoo**, business systems and services group, were little changed at £1.66m, against a restated £1.69m, in the year to July 31 1985. Turnover and other income was also similar, at £44.21m, against £44.44m.

Profits were struck after exceptional charges of £330,000 (£530,000) for early retirement and redundancy costs.

Earnings per 10p share were 2.2p (2.1p) and the final dividend is 1.5p

Irish Wire losses down sharply at I£107,000

LOSSES AT **Irish Wire Products** were cut sharply in 1984-85 and in the current year to date the Limerick-based group has traded at break-even.

The loss for the 12 months to March 31 1985 was reduced by I£513,000 to I£107,000 at the pre-tax level and reflected measures taken to improve profitability. Turnover for the period fell from £3.85m to £2.6m.

The directors say they regret the delay in publishing the results for the past two years, but point out that it was decided to await the finalisation of the group's restructuring which took longer than anticipated.

It is intended, subject to shareholders' approval, to finalise the capital restructuring. The main elements will be the conversion of £409,036 of the Foir Teoranta loan into redeemable convertible preference shares and the conversion of £100,000 temporary loans from the three main shareholders into ordinary shares.

Wold loss rises to £1.8m at six months

AS IS normal **Wold**, a producer and packer of frozen green vegetables with Bejam, Sainsbury and Tesco numbered among its customers, ran up a loss at the interim stage.

Seasonally, the group operates at a loss until July and generates its profits in the main processing period during the second six months. However, this summer's cold wet weather means that pre-tax profits for the full 1985 year are unlikely to be as high as 1984's £1.47m.

Nonetheless, Wold is continuing to broaden the base of its activities and Mr Peter Silvester, the chairman, is confident of a much improved performance in 1986.

He says the 1985 harvest will lead to higher selling prices in the first six months of 1986 and prospects remain encouraging.

For the six months to June 30, 1985, the group incurred a pre-tax loss of £1.81m, against a previous £1.29m. Turnover rose sharply from £6.28m to £12.39m, the increase resulting mainly from the inclusion of Edwards and Walkden and M. & P. Engineering).

Higher volumes are unlikely to be achieved in the second half as the severe weather has had an adverse effect on normal growing and harvesting conditions of the two main crops, peas and green beans.

It is pointed out that the shortage of produce will inevitably result in increased selling prices with the major benefit materialising in the first half of 1986.

After tax and minorities the attributable loss emerged at £2.03m (£1.5m), equal to 10.2p (6.9p) per 5p share.

A maiden interim dividend of 0.75p is being paid—the group came to the USM in May with a market value of £20.5m.

The directors remain committed to developing the product range in the frozen and chilled food sectors, both organically and by acquisition, and by developing own label markets in the UK and abroad.

The group, based at Grimsby, specialises in own label retail packs for High Street multiples. It also has ancillary food processing consultancy and engineering activities, expanded by the acquisition of M & P in March of this year.

Earlier this month Wold purchased Fresh Foods (North), based in York and a producer of chilled closeslaw and other salad products for multiple retailers and the catering market.

Tilbury Group profit warning

THE PROLONGED bad weather has hit the first half result of the **Tilbury Group**, to the extent of 28 per cent, and the directors say the year's profit cannot be expected to reach the £3m achieved in 1984.

The future, however, is viewed "with a fair measure of confidence," and the interim dividend is revised to 1.5p net (1.4p).

In the six months to end June this construction, roadstone, plant, mechanical services and property group lifted its turnover by £2.12m to £31.81m but suffered at the operating stage—this profit falling from £1.38m to £1.1m. And the pre-tax balance showed a drop from £1.44m to £1.04m.

The directors explain that the bad weather significantly affected the pace of performance and, in consequence, profit margins. However, they tell members that the underlying state of affairs at the group is encouraging.

Construction work in hand at the end of June was up 30 per cent compared with the year previous. In roadstone, coated production is now fully committed for the remainder of the year.

A good start has been made in extending housebuilding activities into Scotland, and the region is expected to contribute its maiden profit next year.

The Kendon portfolio of residential properties in East London will provide expanding profit for the estate business over the next few years. This portfolio was acquired in June at a cost of £1.8m.

Tax takes £482,000 (£533,000) to leave the earnings for the half-year at 3.79p against 6.1p. The increase in tax charge from 37 per cent to 46 per cent is mainly the result of the withdrawal of stock appreciation relief.

Property deal boosts full year hopes at Cecil Gee

AT THE same time as announcing the £2.1m disposal of a leasehold property, **Cecil Gee**, the USM quoted menswear retailer, warned yesterday of significant losses for the first half of the current year.

However, the company expects a much improved performance in the second half and taking into account the property transaction surplus, looks forward to record pre-tax profits for the full year.

In the year ended December 29, 1984, profits dropped from a peak £1.08m to £822,000. The first-half figure however, was ahead at £332,000 (£204,000).

The property transaction will be completed in mid-January, 1986, just before the end of the current year, which has been extended until January 25. It will yield a surplus over book value of £1.8m before tax and will be used to reduce borrowings.

The principal reasons for the expected first half fall arise from exchange losses, substantial start up and refurbishing costs in nine new branches and abnormal trading conditions following the extended miners' strike and poor UK weather.

While currently margins have been maintained, the company points out that the first half year is never strong and traditionally does not provide any clear indication of full-year performance.

Interim results for the period to August 10 will be announced on October 31.

British Benzol sounds warning

British Benzol Carbonising, coke and smokeless fuel manufacturer, has warned shareholders that it will make a loss in the first half of the current year due to problems caused by the aftermath of the miners' strike.

However, a recovery is expected in the second half and the company is forecasting that profits for the year to March will not be less than £250,000 (£202,000).

The forecast is contained in a circular which gives details of the £1.3m rights, issue of 13 per cent convertible loan stock 1995 announced last weke. The profit forecast is calculated after interest on th stock of £70,530; and based on the forecast the annual interest payment will be covered 1.9 times.

With the miners' strike behind it, the company views the future with optimism, and regards each of its divisions as well placed to benefit from present trading opportunities.

COMPANY NEWS IN BRIEF

KWAHU COMPANY has lifted taxable profits from £141,633 to £239,651 for the year ended June 30, 1985, and further progress is expected. On capital increased by the August 1984 rights issue the dividend is maintained at 1.25p, against a forecast of 1.1p. Earnings per share are given as 2.17p (2.07p).

THARSIS, pyrites exporter, increased pre-tax profits from £439,000 to £660,000 in the half year to June 30 1985, on turnover of £2.8m (£2.44m). After tax of £70,000 (£10,000) earnings per 25p share were 22.7p (£16.5p). The interim dividend is unchanged at 2p net. Results have borne an unrealised exchange loss of around £200,000.

MARTIN CURRIE Pacific Trust returned available profits of £41,000 over the period May 9 to August 31 1985. Unfranked investment income totalled £141,000. Net asset value per ordinary share amounted to 93.9p. Earnings came through at 0.34p. The company came to market in May of this year.

BAILLIE GIFFORD Japan Trust, specialist in Japanese securities, increased its gross investment income to £475,619 (£365,721) in the year ended August 31. Revenue before tax was £113,230 (£77,975) and earnings a share were up to 0.72p (0.52p). Asset value was down 9.5 per cent to 258.6p (285.8p) a share and, diluted, to 245.1p (269.8p) a share. The dividend is 0.6p (0.4p) a share.

Security Exchange say 2,347,550 new ordinary shares have been subscribed for in response to the offer of August 29.

The minimum subscription has been exceeded and the offer will remain open.

WESTWOOD DAWES, mechanical handling engineer, made a pre-tax profit of £61,638 (£112,940 loss) for the half year to June 30 1985. Earnings per share were 1.71p (8.95p loss). Attributable profit was £37,776 (£112,834 loss), after a £23,862 (nil) extraordinary charge. Turnover came to £686,555 (£889,832). The board says with a good order book on hand, second-half prospects appear encouraging.

FRANCIS SUMNER, cloth manufacturers, reports turnover for the six months to June 30, 19ff, at £499,000 (£2.11m). Pre-tax profit £12,000 (£167,000 loss). Earnings per share 0.05p (0.62p loss). Chairman says improved results reflect sale and closure of two subsidiaries since last year. The remaining subsidiary has traded profitably during the period.

CITY OF ABERDEEN LAND ASSOCIATION final dividend is 12p per share making 18p (15p equivalent). A one-for-10 scrip issue is also proposed. Turnover totalled £19.5m. (£21.18m) and profits before tax £2.34m (£1.76m). Tax takes £880,000 (£620,000) giving earnings per share of 78.7p (61.6p).

SCOTTISH ENGLISH and European Textiles' financial position remained strong and although much depended on exchange rates, the forward order book was similar to the same time last year, and a satisfactory outcome was anticipated, Mr Mackenzie, chairman, told the annual meeting.

BIDS AND DEALS IN BRIEF

BSG INTERNATIONAL'S offer for **Adams & Gibbon** has become unconditional. Acceptances were received as at 3 pm on September 24 in respect of 1.71m ordinary shares (94.9 per cent). Preference share acceptances numbered 88,001 shares (88 per cent). Acceptances for 140,267 A & G ordinary shares were received in respect of the cash alternative, which closed on September 18, while holders of 894,267 A & G ordinary elected to receive 2.91m additional new BSG ordinary shares in lieu of cash. As only 1.4m new BSG shares became available as a result of acceptances for the cash alternative, entitlements of those electing for shares have been scaled down pro rata to applications.

VALOR has sold loss-making subsidiary, **Gainsborough Precision Engineering (Birmingham)** for £288,000, under a management buy-out scheme financed by Midland Bank. The sale, which was £68,000 above asset value, was completed on September 11, with a payment of £198,000 and the balance deferred.

J. ROTHSCHILD Holdings has purchased for cancellation 910,000 of its ordinary shares at 98p each.

BRITISH CAR AUCTION and investors acting in concert with it, have increased to 29.9 per cent their holding in Five Oaks Investment, the property company.

BCA, which is headed by Mr David Wickens, announced on September 17 that it had acquired a 22.65 per cent stake in Five Oaks and said then that, subject to any significant change in circumstances, it would not "make a full bid for Five Oaks for a period of at least six months." The company said yesterday that that statement still stood.

The holding has been taken to 29.9 per cent by the purchase of a 4.61 per cent stake from Mr B. Anderson, a past director of Five Oaks. The balance of Mr Anderson's holding, comprising 6.45 per cent of the equity, has been placed with institutional investors.

MERCHANT NAVY Officers Pension Investments has declared its offers for **Murray Growth Trust** unconditional in all respects and has extended the offers until further notice. Acceptances of the ordinary and "B" ordinary offers have been received for 118.78m (89.58 per cent) and 857,696 (49.63 per cent) respectively. Acceptances for the preference offer totalled 1.78m (94.64 per cent).

CHANNEL HOTELS AND PROPERTIES holds 363,500 Ordinary shares in Allebone and Sons, representing 5 per cent of the issued capital.

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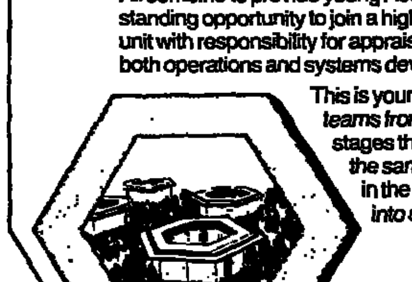

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BUSINESS LAW

U.S. trade: neither free nor fair

By A. H. HERMANN, Legal Correspondent

IF THE dollar could be simply talked down, the Washington house party last weekend could fill U.S. industry with hope and put Congressmen's protectionist zeal at rest. But President Reagan does not seem to believe in this particular miracle. So far he tried to pre-empt protectionist legislation by protectionist executive action which can be more flexible, and suspended or called off as required. Now he will also join in the legislative activities.

"Not only free but also fair" is a trade policy slogan coined to disguise that the protectionist measures of U.S. trading partners are being answered by the U.S. in the same vein. Exchange rates (and not only the dollar) which are out of step with ratios of purchasing powers create rapids of trade which governments try to stem and regulate, mostly in contravention of their free-trade undertakings.

The legal activity in the U.S. is on a very grand scale, commensurate with trade rapids of Niagara dimensions, expected to produce this year a trade deficit of some $150bn.

To cope with the marginal problem of subsidies real, imaginary or simply pretended, some 300 Bills are now before Congress. The declared aim of these bills is to stop imports of goods enjoying some unfair advantage, or originating from a country which puts obstacles in the way of U.S. products and services.

Seeing that he cannot beat them, the President has now obviously decided to co-operate with Congress on legislation which would enhance the protection of U.S. intellectual property, improve anti-dumping and countervailing duty laws and speed up the settlement of trade disputes. This is a new development, since for some time now the President has been trying to take the wind out of the legislators' sails by activating such executive powers as he has under the existing legislation.

The problems are not new. Early in 1984 an attempt was made to streamline the agencies dealing with trade, when Senator William Roth proposed that the Office of the U.S. Trade Representative should be merged with the trade division of the Department of Commerce. Don Bonkers, a leading Democrat, expanded the proposal when introducing it into the House of Representatives by calling for the establishment of an Industrial Competitiveness Council, composed of members from industry, trade unions and Government departments. One day perhaps we will wake up to discover that the U.S. does speak with one voice on trade matters. Alas, not yet.

If the idea behind this proposal was to provide some export subsidies, it seems now to take the form of the President's $300m "war chest" from which U.S. exporters will be helped to overcome subsidised competitors on the world markets.

While the executive and legislature speak with many voices, it is impossible to discern any clear cut political division on trade issues. "Old" Democrats seem to remain true to the ideal of free trade, but "new" Democrats are ready for "temporary" defensive measures, being more responsive to trade union pressue. That is why the Democratic majority in the House passed, in November 1983, the "domestic content" legislation, which would have obliged the Japanese to use U.S.-made parts in cars sold in the U.S. However, protectionism is not exclusive to Democrats; Republicans from large industrial states push Washington towards trade protection with no less vigour.

The tendency towards broad legislation in contrast to executive measures more narrowly targeted at individual products and trading partners has emerged already in 1983 in the form of Senator John Danforth's Reciprocity Bill adopted by the Senate. This would give the President power to reduce or increase trade barriers in response to trade policies of other countries.

As the 1974 Trade Act gives the President authority not only to retaliate against hostile foreign trade practices but also to impose tariffs and quotas to protect U.S. industry against injury by any increase in worldwide imports of a particular product, such legislative proposals are clearly superfluous, though indicative of the electorate's mood.

Another 1984 project, the Trade Remedies Reform Bill, would go beyond the measures now available against dumping and state subsidies by making it possible to respond by the imposition of countervailing duty to foreign governments' plans or schemes designed to assist exports and to make them more competitive.

The President, as he said, is now prepared to work with the Congress on such legislation. Perhaps he sees in it an opportunity to modify the law as interpreted by the U.S. Court of International Trade judgment on July 30 1985. The Court ruled (in Continental Steel v U.S.) that countervailing duties can be applied also to imports from non-market economies, even if it is impossible to demonstrate how a subsidy distorts the (non-existent) market. The Court said it was enough to distinguish between the normal operation of the central control and exceptional or disproportionate measures amounting to subsidisation.

Judge Watson said that subsidisation could be detected as a diversion from a "pattern of regularity." There remained the problem of measuring the subsidy, but the judge thought that the Commerce Department was well able to grapple with this problem.

An even more touchy problem was raised by a group of Congressmen who asked the U.S. International Trade Commission to activate the powers (which the Treasury has under a 1930 Statute) to ban imports produced by slave labour.

Another more recent proposal, aimed at a similar range of products, is Bill HR 2451 introduced by Congressman Sam Gibbons, Chairman of the House Sub-Committee on Trade. It would impose countervailing duty whenever goods benefited from special pricing of natural resources and thus caused injury to U.S. industry. The supporters of this measure have in mind oil products, petrochemicals and uranium. Such measures, argues the Administration, would violate GATT by countervailing "generally available government assistance" and not only subsidies to particular industries.

The latest batch of bills, now before the Congress, includes those that would put a 25 per cent duty surcharge on imports from countries which export to the U.S. substantially more than they import from it. Who does not, one can ask, though Japan, the EEC, South Korea and Brazil seem to be singled out for immediate attention. A textile quota bill is about to be passed, reducing imports by about a third; special tariff on copper should be the answer to the recent closure of 13 mines

Last month, the President rejected a recommendation of the International Trade Commission that a five-year quota should be imposed on footwear —the share of imports rose from 44 per cent in 1983 to 62 per cent in the first quarter of 1985. The President could impose the quota under the escape clause of the 1974 Trade Act which provides for the imposition of tariffs, quotas or the negotiation of "orderly marketing agreements" when worldwide imports of a particular product substantially increase to the detriment of U.S. producers. Under Section 201, of the Act, the U.S. International Trade Commission has six months to determine whether the U.S. industry suffered an injury and the President has a further 60 days to decide whether he will accept the recommendations.

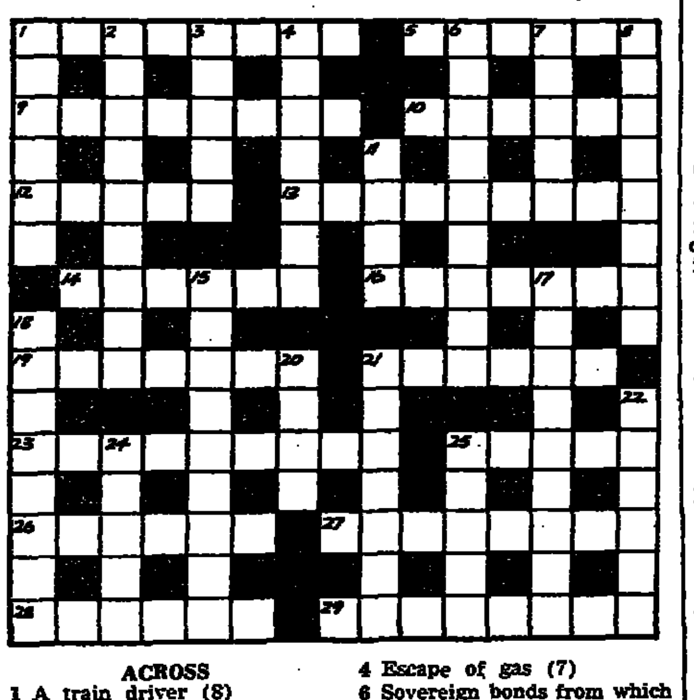
The footwear quota recommendation was rejected by the President on the grounds that it would be too costly, have adverse affect on major foreign suppliers such as Brazil, and that, in any case, the U.S. industry is becoming more efficient by a process of integration. However, the President did use the powers he has under Section 301 of the same Act to retaliate against discrimination of U.S. products by the EEC. He increased the tariff on pasta but later suspended it pending negotiations.

The President also threatened retaliation against EEC subsidies of canned fruit and Japanese quotas on leather products unless a negotiated solution could be reached by December 1. He ordered an investigation of Korean restrictions on U.S. fire and life insurance, of Brazilian restrictions on imports of U.S. computers and of Japanese restrictions on U.S. tobacco products. Such investigations under Section 301, have to be completed within 12 months and private parties can take part in them.

An even greater potential threat to U.S. business partners is the possibility open by Section 301 to individual companies to file their own petitions if the Administration fails to do so. The Aluminum Company of America, is about to launch such private enforcement procedure against Japan.

President Reagan's latest direction to the U.S. Trade Representatives urges Dr Clayton Yeutter to proceed against unfair trade practices of foreigners who "unjustifiably, unreasonably or discriminately burden or restrict U.S. commerce." Trade has to be not only free but also fair. Free for U.S. exporters, fair to U.S. importers—and the devil take the hindmost!

F.T. CROSSWORD PUZZLE No. 5,831



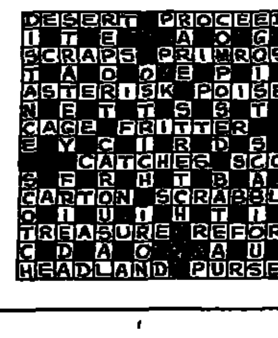
ACROSS

1 A train driver (8)
5 Frozen, it takes half a day to dig out (6)
9 Place to resettle when idle (3, 5)
10 A small pen, perhaps (6)
12 Live wires taken on stage, perhaps (5)
13 Shuns life in altruistic fashion (9)
14 On a winding road it shows skill (6)
16 When free, retire to a foreign country (7)
19 Sailor obtains marks for shooting (7)
21 Put it on without being told? (6)
23 Lost again maybe, and longing to get home (9)
25 Put up as advertised, we hear (5)
26 Dress I put on about spring (8)
27 Visited, but spoke without entering? (6, 2)
28 and 8 down: K.L.M. pilot tragically denied landing facilities? (6, 8)
29 They may wait to make enquiries, of course (8)

DOWN

1 Obscure form of lament (6)
2 A plain-living Scot, maybe (9)
3 Rests awkwardly on a girl's head (5)
4 Escape of gas (7)
6 Sovereign bonds from which authors derive an income (9)
7 Bottled spirits (5)
8 See 28 across
11 Marine detachment (4)
15 Medical treatment in battle (9)
17 The Left after a division (9)
18 Half-inclined to stay away —the fly one (5, 3)
20 Wise cooks use it (4)
21 Very hard worker supports a mother (7)
22 A Spaniard is a Greek (6)
24 Shy disposition, but bright (5)
25 Feel depressed and inferior? (5)

Solution to Puzzle No. 5,830



APPOINTMENTS

RMC managing director

Mr Precel James Owen will become group managing director of RMC GROUP from January 1, 1986. Mr John Camden, currently chairman and group managing director, will continue as executive chairman. Mr Owen is currently responsible for the concrete and aggregate operations in the UK, and for the development of the group's interests in the U.S.

★

Mr William Dacombe has been appointed deputy chairman of the EXPORT GUARANTEES ADVISORY COUNCIL from October 1. He succeeds Mr Robin Dent who is retiring. Mr Dacombe, who is chief executive of the merchant bankers, Rea Brothers, has been a member of the Council since August 1982.

★

CEMENTATION INTERNATIONAL, overseas building and civil engineering arm of the Trafalgar House Group, has made a number of organisational changes to its board. Mr Derek S. Ashburner has been appointed marketing director. He was with Davy Powergas. Mr Eric E. Machell has become operations director for Africa, excluding Egypt, together with Saudi Arabia and Gibraltar, and has assumed executive control for existing contracts in those areas. Mr John E. King has been promoted from financial manager to finance director. Mr John W. L. Foot joins the board from associate group company Trollope and Colls and becomes operations director.

★

Mr Ian Cooper, at present deputy director of the Water Research Centre Engineering at Swindon, has been appointed director of research and chief executive of BHRA, the Fluid Engineering Centre, to succeed Mr George Adler, who retires in January 1986. Mr Cooper will join BHRA in November.

★

P & O CRUISES has appointed Mr Alan Langley as deputy chairman in addition to his existing role as managing director. Mr Hugh Scrimgeour, formerly assistant to the group chairman, becames assistant managing director. Finance and development will become separate functions. Mr Ross Sinclair will devote full time to the role of development director. Mr Nigel Lawford (formerly finance director of Earls Court and Olympia) is appointed finance director. Mr Leigh Horsley is appointed company secretary.

★

Mr Coaracy da Silva, who for nine years has headed the international office of the Brazilian shipbuilder Companhia Comercio e Navegacao (CCN), has been appointed the European representative in London of another Brazilian shipbuilder, VEROLME DO BRASIL.

Mr Brian C. Gordon is to head the LLOYD'S AND INSURANCE GROUP of Dearden Farrow and its associate, Futcher Head and Gilberts. He joined Futcher Head and Gilberts in 1971, was made a salaried partner in 1981, and an equity partner two years later. He also started his work with Lloyd's in 1983. Mr Peter Cowell, who has been engaged in Lloyd's work, will be relinquishing his partnership at the end of 1985.

★

Mr Kenneth Cooper, chief executive of the Medway Ports Authority, has been elected chairman of the NATIONAL ASSOCIATION OF PORT EMPLOYERS from October 1. He succeeds Mr D. A. Stringer.

★

PETROFINA (UK) has appointed Mr Christopher Chataway and Mr Jean-Pierre Amory as directors. Mr Chataway is vice-chairman of Orion Royal Bank and was Minister for Industrial Development in the Heath Government of 1970 to 1974. Mr Amory, chairman and chief executive of Petrofina SA, the ultimate holding company of Petrofina (UK), joins the board in succession to Mr Adolphe Demeure de Lespaul, who died recently. The following changes in management have also been approved. Mr Rene Thiers becomes general manager, exploration-production, in place of Mr Jean-Pierre Prudot d'Avigny, who has returned to the head office exploration-production department in Brussels. Mr Peter Johnson becomes general manager, operations, in succession to Mr Paul Derrick, who retires on September 30. Mr Simon Howorth becomes general manager sales, in succesion to Mr Ian McIntosh, who retired at the end of January. Mr Thiers was vice-president exploration-production at American Petrofina for seven years and Mr Johnson and Mr Howarth were assistant general managers in their respective departments.

★

Mr Gordon Paul Matthews and Mr Frank Christian Wignall have been appointed directors of G.T. MANAGEMENT.

★

BARING INTERNATIONAL INVESTMENT MANAGEMENT ("BIIM") announces that head office has been moved from Hong Kong to London and Mr John Bolsover has moved to London as chief executive of BIIM. As a result of the change in share ownership of BIIM earlier this year, Mr John A. Morrell has now relinquished his position as chairman of the group and Mr Nicholas H. Baring has been appointed non-executive chairman of BIIM and Mr Morrell has been appointed deputy chairman. Mr T. G. Abell and Mr A. M. L. Tuckey have resigned from the board and Mr P. S. Hartley, Mr D. A. Lyle and Mr R. J. M. Rawe have been appointed executive directors. Mr W. Backhouse, Mr [illegible] J. McNamara, Mr M. J. Rivett-Carnac and Mr R. M. Shaw have been appointed non-executive directors.

★

The new chairman of the BRITISH DIRECT MARKETING ASSOCIATION is Mr Colin Richards, senior marketing manager of Mercantile Credit. Mr Denis Jarrett steps down after nearly 12 years' service.

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Worldwide Recovery	101.8	109.3	-0.2	2.81
American Growth	52.7	56.6		1.11
Inv. Emerging Cos	57.1	61.3		0.76
Far East Growth Fd	46.4	49.8	+1.3	1.0

Prolific Unit Trusts
222, Bishopsgate, EC2. 01-247 7544/7

Prolific Far East	102.9	110.3	+2.1	0.32
Prolific Extra Inc	61.6	65.5	-0.4	5.96
Prolific Gilt Cap	81.6	87.0		3.09
Prolific High Inc	133.1	141.6	-1.3	5.24
Prolific Intl	80.3	86.0	-0.5	1.80
Prolific N. Amer	108.4	116.1	-0.5	2.56
Prolific Spec. Sits	144.0	153.2	-1.3	1.64
Prolific Technology	94.4	101.1	-0.2	1.04

Providence Capitol Fd. Mgrs. Ltd.
30 Uxbridge Road, London, W12 8PG. 01-749 9111

Japan Trust	49.5	52.4	+0.4	—
Worldwide	47.1	49.9	-0.2	1.99
European Trust	52.7	55.8	-0.2	2.15
North American	45.4	48.1		2.55
UK Equity	50.3	53.3	-0.2	3.99

Prudential Unit Trust Mngrs Ltd. (a) (b) (c)
51-69, Ilford Hill, Ilford, Essex, IG1 2DL 01-478 3377

Holborn Equity Tst	317.6	337.8	-2.9	3.77
Holborn European Trust	—	50.0		1.00
Holborn Gilt Tst	157.3	164.3	+0.1	8.93
Holborn High Inc	55.2	58.7	-0.2	7.50
Holborn Intl Growth	59.6	63.3		0.45
Holborn Japanese Trust	—	50.0		0.06
Holborn N. Amer. Trust	—	50.0		2.27

TSB Unit Trusts (b) (c) (y)
PO Box 3, Keens Hse, Andover, Hants, SP10 1PG
0264 62188 Dealings to 0264 63432 3

TSB American	87.5	93.1	-0.4	1.74
Do Accum	91.0	96.9	-0.4	1.74
TSB Extra Income	82.5	87.8	-0.5	6.45
Do Accum	95.0	101.1	-0.6	6.45
TSB General	117.9	125.4	-1.0	3.50
Do Accum	190.9	203.0	-1.7	3.50
TSB Gilt & Fxd Int	47.6	49.6	-0.1	9.34
Do. Accum	58.6	61.1		9.34
TSB Income	164.7	175.3	-1.4	5.05
Do Accum	248.4	264.3	-2.2	5.05
TSB Pacific	100.4	106.9	+0.7	0.74
Do Accum	103.0	109.6	+0.8	0.74
TSB International	222.1	236.3	+0.6	2.06
Do. Accum	270.3	287.6	+0.7	2.06
TSB Natural Resources	43.6	46.4	-0.1	2.13
Do. Accum	44.0	46.9	-0.1	2.13
TSB Scitd. Opps.	46.5	49.5	-0.4	2.49
Do Accum	50.6	53.9	-0.5	2.49

3i & Target Fund Mgrs Ltd
Target House, Gatehouse Road, Aylesbury, Bucks Aylesbury (0296) 5941

Small Co's Fund	64.3	68.8	-0.1	0.10

Target Trust Mngrs. Ltd. (a)(g)
Target Hse, Gatehse. Rd, Aylesbury Bks (0296) 5941

American Eagle	61.0	65.2	-0.5	0.46
Australia	30.1	32.1	+0.2	0.10
Commodity	83.1	89.4	-0.3	1.91
Energy	37.8	40.4	+0.6	0.34
Equity	99.7	106.4	-0.9	3.99
European Spec. Sits	55.8	59.7	+0.3	0.75
Extra Income	90.7	97.0	-0.3	7.60
Financial	198.0	211.2	-2.7	2.38
Gilt Capital	224.9	235.5	-0.3	3.25
Gilt Income	100.8	105.8	-0.1	8.47
Gold Income	56.6	60.6		1.63
Gold Acc.	102.3	109.5		1.63
Income	58.3	62.7	-0.5	5.69
Japan	44.7	47.7	+0.6	0.10
Malaysia & Singapore	23.3	24.9		0.80
Pacific Income	60.8	65.0	+0.8	0.50
Pacific Re Inv	74.4	79.6	+0.9	0.50

Allied Dunbar Assurance PLC
Allied Dunbar Ctr, Swindon SN1 1EL. 0793 28291

Fixed Int. Dep Acc.	207.9	218.9		—
Equity Acc.	505.0	531.6		—
Property Acc.	305.4	321.5		—
Far East Acc.	96.3	101.4		—
Managed Cap.	267.9	282.0		—
Managed Acc.	424.0	446.4		—
O'seas Earnings Acc.	371.9	391.5		—
Gilt Edged Acc.	241.6	254.4		—
American Equity Acc.	288.6	303.8		—
American Man Acc.	143.8	151.4		—
American Prop Acc.	120.4	126.8		—
Pen F.I. Dep Cap.	228.4	240.5		—
Pen. F.I. Dep Acc.	343.7	361.8		—
Pen. Prop Cap.	371.5	391.1		—
Pen. Prop Acc.	617.3	649.8		—
Pen. Man. Cap.	529.4	557.3		—
Pen. Man. Acc.	872.1	918.0		—
Pen Gilt Edg. Cap.	253.6	267.0		—
Pen. Gilt Edg. Acc.	344.0	362.2		—
Pen. Eq. Cap.	805.1	847.5		—
Pen. Eq. Acc.	1,012.7	1,066.1		—
Pen Am. Eq Cap.	111.5	117.4		—
Pen. Am. Eq Acc.	118.3	124.6		—
Pen. Far East Cap.	104.4	109.9		—
Pen. Far East Acc.	110.7	116.6		—
Pen. B.S. Cap.	238.8	250.8		—
Pen. B.S. Acc.	349.7	367.2		—
Pen. D.A.F. Cap.	191.9	191.9		—
Pen. D.A.F. Acc.	250.3	250.3		—
Pen. Mortgage Cap.	107.8	113.5		—
Pen. Mortgage Acc.	114.3	120.4		—

Ambassador Life Ass. Co. Ltd.
80 Holdenhurst Rd, Bournemouth BH8 8AL 0202 292345

Equity Fd Acc.	99.5	104.8	-0.6	—
Equity Fd Cap.	94.3	99.3	-0.5	

Barclays Life Assur. Co. Ltd.
252 Romford Road, E7. 01-534 5544

Barclaybond	287.8	303.0	-0.8	
Equity Accum	330.1	347.5	-2.2	—
Do. Initial	299.6	315.4	-0.3	—
Gilt-edged Accum	189.9	199.9	-0.1	—
Do. Initial	174.1	183.3	-0.1	—

Confederation Life Insurance Co.
50, Chancery Lane, WC2A 1HE. 01-242 0282

Life Funds

Managed Fund	487.5	513.1	+0.4	—
Equity Fund	559.0	588.2	+4.6	—
International Fund	181.6	191.1	-2.4	—
Fixed Interest Fund	166.2	174.9	+0.1	—
Property Fund	119.6	125.6		—
Index Linked Fund	109.4	115.1	+0.3	—
Cash Deposit Fund	119.4	125.6	+0.1	—
PIP Fund	1,472.4		+0.8	—

Individual Pension Funds

Personal Pen Managed	286.9	302.0	-1.4	—
Staffguard Managed Pen	286.9	302.0	-1.4	—

Group Pension Funds

Group Mixed Pension	763.2		—
Equity Pension	1,206.6		—
International Pension	237.8		—
Fixed Interest Pension	623.5		—
Property Pension	471.3		—
Index Linked Pension	121.9		—
Cash Deposit Pension	158.8		—

Continental Life Insurance PLC
64/70 High St, Croydon CR0 9XN 01-680 5225

Equity Acc.	234.2	246.6	—
Property Acc.	224.0	235.8	—
Int Acc.	175.3	184.6	—
Managed Acc.	211.3	222.5	—
Spec Sits Acc.	172.8	181.9	—
Investment Tst Acc.	102.6	108.1	—
Pen Int Acc.	182.8	192.5	—
Pen Prop Acc.	284.1	299.1	—
Pen. Equity Acc.	344.0	362.2	—
Pen Mngd Acc.	232.7	245.0	—
Pen. F & C Man Acc.	102.1	107.5	—
Pen. Inv Trust Acc.	123.7	130.3	—

Prices for other funds available on 01-377 8862.

Cornhill Insurance PLC
57 Ladymead, Guildford. 0483 68161

Equity Fd Sept 25	184.0	194.0	-3.0	—
Fixed Int Sept 25	149.5	157.5	+2.5	—
Man Growth Sept 25	398.0	419.0	-3.0	—
Money Fd Sept 25	132.0	139.0		—
Cap Fd Aug 15	297.0			—
G & S Spec Fd Aug 15	126.5			—

General Portfolio Life Ins. PLC
Crossbrook St., Cheshunt, Herts.

Gresham Unit Assurance Ltd.
2-6, Prince of Wales Rd, B'mouth.

Growth & Sec. Life Ass. Soc. Ltd.
47, London Fruit Exchange, E1 6EU

Guardian Royal Exchange
Royal Exchange, EC3.

Legal & General (U.A.)—Contd.
Kingswood House, Kingswood, Tadworth, Surrey KT20 6EU Burgh Heath 53456

Manufacturers Life Insurance Co (UK)
St George's Way, Stevenage 0438 356101

Managed	287.7	302.8		—
Property	236.3	248.7		—
Equity	304.0	320.0		—
Gilt Edged	305.8	371.9		—
Deposit	175.7	184.9		—
Investment	127.4	133.8		—
International	231.0	243.2		—

Pension Fund Prices

Managed Init.	204.3	-1.4	—
Do. Accum.	234.0	-1.3	—
Property Init.	200.6	+0.2	—
Do. Accum.	229.8	+0.4	—
Equity Init.	224.5	-2.3	—
Do. Accum.	256.7	-2.5	—
Gilt-Edged Init.	196.2	+1.8	—
Do. Accum	224.9	+2.3	—
Guaranteed Init.	137.0	+0.2	—
Do. Accum.	157.1	+0.5	—
International Init.	276.6	-2.3	—
Do. Accum	316.7	-2.3	—
Index Lk. Gilt Init.	121.5	+0.3	—
Do. Accum.	139.2	+0.4	—

Merchant Investors Assurance
Leon House, 233 High St., Croydon 01-686 9171

Property	294.7	—
Property Pens.	383.9	—
Equity	138.6	—
Equity Pens.	541.2	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU 01-680 0606

Property Fund	300.3		—
Property Fund (A)	289.9		—
Agricultural Fund	1,069.3		—
Agric. Fund (A)	1,027.4		—
Abbey Nat. Fund	247.7		—
Abbey Nat. Fd. (A)	235.9		—
Investment Fund	159.0	-1.8	—
Investment Fund (A)	160.0	-1.8	—
Equity Fund	[illegible]	-4.0	—
Equity Fund (A)	549.3	-4.0	—
Money Fund	249.0		—
Money Fund (A)	215.5		—
Actuarial Fund	262.0		—
Gilt Edged Fund	211.9	+0.1	—
Gilt-Edged Fd. (A)	211.9	+0.1	—
Retire Annuity	423.2		—
Immed. Ann'ty	206.5		—
International Fd	375.8	-3.6	—
Bldg. Soc. Life Fd.	122.4		—

Property Growth Pensions & Annuities Ltd.

All Weather Ac. Uts	336.5	354.2		—
Inv. Fd. Uts		357.5		—
Pension Fd. Uts		309.1		—
Conv. Pens. Fd.		379.7	+0.2	—
Cnv. Pn. Cap. Ut		261.6	+0.1	—
Man. Pens. Fd.		451.0	-3.1	—
Man. Pens. Cap. Ut		314.2	-2.3	—
Prop. Pens. Fd.		340.0		—
Prop. Pens. Cap. Uts		281.1		—
Bldg. Soc. Pen. Ut.		121.7		—
Bldg. Soc. Cap. Ut.		243.3		—
Gilts Pens. Fd.		202.1	-0.1	—

INSURANCES

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Fund S.A.
2 Boulevard Royal, Luxembourg

World Fund NAV	$12.09			—

World Wide Growth Management◊
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$13.35			—

Inv. Adv. M & G. Inv. Mngt., Ltd, London

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Advanced Tech	$9.37			—
Dynamic Gwth Fd	$8.27			—

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Charities Deposit Fund 77 London Wall, London EC2N 1DB			01 588 1815	
Deposit	12.30	—	—	3-Mth
The Money Market Trust 63 Qn Victoria St, EC4N 4ST.			01 236 0952	
Call Fund	11.55	8.65	12.85	6mth
7-day Fund	11.39	8.53	12.64	6mth
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE.			01-236 1425	
Call Fund	11.61	8.68	12.78	6-Mth
7-day Fund	11.41	8.53	12.56	6-Mth
Dollar		6.75	—	6-Mth
Money Mngt Acct.	11.00	8.25	12.27	3-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Adam & Co. plc 22 Charlotte Sq, Edinburgh, EH2 4DF			031-225 8484	
Full Service Cur Acc	11.25	8.00	11.93	Qr
Aitken Hume 30 City Road, EC1Y 2AY.			01-638 6070	
Treasury Acc	11.25	8.41	12.58	Qr
Mth. Inc. Chq.	11.125	8.33	12.56	Mth
Bank of Scotland 38 Threadneedle St, EC2P 2EH.			01-628 8060	
Money Mkt Cheque Acc	11.00	8.25	12.18	Mth
Barclays Prime Account PO Box 125, Northampton			0604 252891	
High Int. Cheque	11.0	8.25	12.32	Qr
Britannia Investment Services Ltd. 29 Finsbury Circus, EC2M 5QL.			01-588 2777	
Cater Allen	11.13	8.33	12.34	Mth
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH.			01-248 3999	
Sterling	11.13	8.33	12.34	Mth
U.S. Dollar	7.25	7.25	7.50	Mth
German Marks	4.25	4.25	4.33	Mth
Swiss francs	1.50	1.50	1.51	Mth
Japanese Yen	5.00	5.00	5.12	Mth
Citibank Savings St Martins Hse, Hammersmith Grove			01-748 9251	
Money Market Plus	—	9.57	14.28	Mth
Co-operative Bank Cheque & Save 78-80 Cornhill EC3 01-626 6543.				
£500-£2,500	9.50	7.10	10.41	Qtr
£2,500 +	12.00	8.97	13.26	Qtr
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE.			0803 862271	
Money Mkt Acc.	11.00	8.22	12.27	Qr
Edward Manson & Co Ltd 9 Henrietta Place W1M 9AG			01-631 3313	
Cheque Deposit Acc.	11.50	8.59	12.98	Mth
Henderson/Bank of Scotland 38 Threadneedle St EC2P 2EH			01-628 8060	
Money Mkt. Cheque Acc.	11.00	8.23	12.18	Mth
Lloyds Bank PLC 71 Lombard St, London, EC3P 3BS.			01-626 1500	
HighIntCheque Account	11.25	8.25	12.32	Qr
Lombard North Central PLC 17 Bruton St, W1A 3DH.			01-409 3434	
14-Day Notice	11.500	8.596	12.280	—
M & G/Kleinwort Benson 91-99 New London Rd, Chelmsford.			0245 51651	
H.I.C.A.	11.125	8.31	12.35	Daily
Midland Bank plc PO Box 2, Sheffield.			0742 20999 Ext 8655	
High Int Chq Acc	10.70	8.00	11.92	Qr
£10,000 +	11.17	8.35	12.47	Qr
Provincial Trust (formerly Choulartons) 30 Ashley Rd, Altrincham, Cheshire			061-928 9011	
Cheque Acc.	11.50	8.60	13.00	Mth
Royal Bank of Scotland plc 24 Lombard St, London EC3V 9BA			031-557 0201	
Premium Account	11.0	8.22	12.27	Qr
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB.			0708 66966	
H.I.B.A.	10.70	8.00	11.89	Daily
Tyndall & Co 29-33 Princess Victoria St, Bristol.			0272 732241	
Demand Acc.	11.23	8.39	12.54	Qr
Money Acc.	11.03	8.25	12.31	Qr
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth			0705 827733	
Special Acc.	10.90	8.15	12.30	Mth
Over £10,000	11.15	8.33	12.60	Mth
Western Trust & Savings Limited The Moneycentre, Plymouth PL 1SE			0752 24141	
High Int Chq Acc.	11.44	8.55	12.61	Qr

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int.Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ◊ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rates of NAV increase. xd ex dividend.

OPTIONS

3-month call rates

Industrials	p		p
Allied-Lyons	28	Marks & Spencer	13
BAT	26	Midland Bk.	35
BOC Grp.	27	NEI	10
BSR	8	Nat West Bk.	55
BTR	33	P & O Dfd	35
Babcock	13	Plessey	14
Barclays	33	Polly Peck	22
Beecham	30	Racal Elect.	15
Blue Circle	58	RHM	12
Boots	18	Rank Org Ord	35
Bowaters	30	Reed Intnl	60
Brit Aerospace	32	Sears	11
Brit. Telecom	17	TI	35
Brown (J.)	3½	Tesco	24
Burton Ord	45	Thorn EMI	34
Cadburys	13	Trust Houses	12
Charter Cons.	18	Turner Newall	9½
Comm Union	23	Unilever	90
Courtaulds	13	Vickers	35
Debenhams	32	**Property**	
Distillers	36	Brit Land	14
FNFC	12	Cap Counties	20
Gen Accident	55	Land Secs.	26
Gen Electric	14	MEPC	26
Glaxo	100	Peachey	24
Grand Met	30	Samuel Props	15
GUS 'A'	70	**Oils**	
Guardian	60	Brit. Oil & Min.	3½
GKN	20	Brit Petroleum	45
Hanson Tst.	18	Burmah Oil	27
Hawker Sidd.	36	Charterhall	4
ICI	42	Premier	5
'Imps'	16	Shell	55
Jaguar	27	Tricentrol	18
Ladbroke	27	Ultramar	18
Legal & Gen	60	**Mines**	
Lex Service	24	Cons Gold	40
Lloyds Bank	35	Lonrho	12
Lucas Inds	38	Rio T Zinc	50

A selection of Options traded is given on the London Stock Exchange Report Page.

COMMODITIES AND AGRICULTURE

Australia criticises U.S. sales policy

BY OUR COMMODITIES STAFF

THE AUSTRALIAN Wheat Board yesterday launched a strongly-worded attack on the U.S. for its recent subsidised sale of 500,000 tonnes of wheat to Egypt — Australia's largest wheat market.

Mr Leslie Price, the Wheat Board chairman, described the deal as "economic lunacy" and said it had worsened the world's wheat surplus problem. The sale, under the U.S. export enhancement programme, is said to have been sealed at U.S. $20 per tonne below world market prices.

Mr Price also expressed concern about the prospect of further subsidised U.S. exports to other Australian markets, and in particular Washington's decision to aim one of its next sales at North Yemen—a country which has bought no wheat from the EEC up to now.

"The U.S. is hypocritical in claiming to use the EEP (export enhancement programme) to justify attacking the EEC's export subsidies," he said. In the process, the U.S. would hurt Australia, Canada and Argentina.

The AWB has contracted to sell a minimum of 10m tonnes of wheat to Egypt in the five years to 1989.

Analyst forecasts increase in world wheat consumption

BY NANCY DUNNE IN WASHINGTON

WHILE THE world wheat market is now awash with supplies, growth in a number of economies could in the next decade provide the demand needed to compensate for reduced Soviet imports and cuts in sales to now self-sufficient third world producers, according to an new International Agricultural Outlook Report produced by Wharton Econometric Forecasting Associates.

It says China's production will increase dramatically over the next 10 years, but wheat consumption will rise even faster. Chinese imports of wheat are expected to reach 15.6m tonnes by 1994, double the 1984 level.

Africa, the Middle East, Latin America and part of Asia and other so-called less developed countries are expected to increase wheat imports by about two-thirds over the next 10 years.

Wharton expects Canada to begin aggressively expanding its wheat sales next year, after this year's low production. By 1994 Canada is expected to hold almost 25 per cent of the world wheat trade, compared with a 16 per cent share last year.

If the U.S., as expected, cuts price supports, it can boost wheat exports by about 3.3 per cent each year until 1994, according to the forecasters.

It is expected to capture about 40 per cent of the world market in a decade, only 4 percentage points more than last year. Wharton reckons that the Australians will raise exports by 23 per cent above current levels by 1994, but increase their market share by only 1 percentage point. The EEC is expected to hold 20 per cent of the world wheat market by 1994.

Wharton believes there is a profitable future ahead for soyabeans as well. Production will be concentrated in a few areas of the world in the next decade, but consumption of soyabeans and Soya products will grow all over the globe.

Brazil increased soyabean exports by 122 per cent last year, but as crushing margins improve through the end of the decade, it will once again decrease beans exports in favour of products. By 1993-94, says Wharton, Brazilian bean exports will have declined almost 40 per cent from 1984-85 to 2.2m tonnes. Meal exports however, will increase by 14 per cent.

For a time Argentina is expected to expand production and exports at a faster rate than crushing capacity. As crushing capacity increases, exports will decline. The EEC will increase its soyabean imports about 8.9 per cent over the next 10 years to 10.4m tonnes.

● Taiwanese government and industry officials have begun a buying spree of over 1.3m tonnes of American grains and oilseeds during a month-long tour of 14 states.

The procurement mission of agricultural, industrial and high technology products is the second delegation sent out by Taiwan's Board of Trade as part of a "buy American" programme.

Purchases are expected of 633,000 tonnes of maize, 50,000 tonnes of barley, 234,000 tonnes of soyabeans, and 432,000 tonnes of wheat.

Meanwhile, private U.S. exporters have reported sales of 200,000 tonnes of U.S. maize to the Soviet Union for the third year of the long-term U.S./Soviet grain agreement

Food industry gloomy on starch price

BY ANDREW GOWERS

BRITAIN'S FOOD manufacturers are mounting a last-ditch effort to head off an EEC proposal which they estimate would deprive them of £10m worth of subsidies on the starch they use in their products.

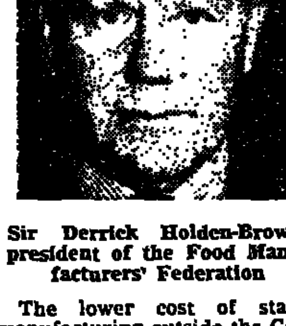
Sir Derrick Holden-Brown, president of the Food Manufacturers' Federation (FMF), is understood to have written to Mr Michael Jopling, Britain's argiculture minister, to express concern at the move.

In private, however, industry officials are gloomy over the prospects for averting its approval by EEC ministers later this year. "We get the impression that the tide is against us," said one.

The problem stems from the artificially high costs of agricultural raw materials, such as maize, wheat and potatoes, used to make starch in the EEC. Under the present 270m European currency units a year Community starch regime, all starch manufactured within the Community benefits from a production refund in order to redress this balance, no matter what end-use it is destined for.

Starch is consumed by manufacturers of a wide variety of products, from food to paper and chemicals.

The European Commission's proposal for sweeping changes in the regime, first published last December, aims—over a three-year transitional period—to shift the focus of subsidies from the food industry to other starch users. It argues that this is necessary in order to foster starch use by industries such as chemical and paper manufacturing, which have not been protected from competition from manufacturers outside the Community which have access to cheaper raw materials.



Sir Derrick Holden-Brown, president of the Food Manufacturers' Federation

The lower cost of starch manufacturing outside the Community has caused companies in key areas of biotechnology to spring up in countries like Austria.

Food manufacturers, says the Commission, can fend for themselves because they already enjoy some protection from imports.

The UK food industry is particularly concerned because a greater proportion of starch goes for use by food manufacturers in Britain than in other EEC countries: it therefore stands to lose more than any other group.

The FMF estimates that the proposal would lead to a 7 per cent cent increase in the cost of starch for manufacturers of such products as custard powder and packet soups and sauces, a cost which they would be forced to pass on to consumers with an inevitable loss of competitiveness against other EEC producers. It also disputes the Commission's argument that it is already protected—the starch content of a number of food products is not subject to an import levy in the EEC, it says.

In his letter to Mr Jopling, Sir Derrick said:

"Food manufacturers should not be expected to finance the cost of providing world price starch and starch products for non-food uses. There is little sense in agreeing to proposals that lead to investment and employment being created in one sector at the expense of another.

An EEC working group is to give the proposal further consideration at meetings over the next few weeks, and it will then go before the Council of Ministers. All the signs are that it will be accepted.

Beefing up China's export drive

BY DAVID DODWELL, RECENTLY IN NINGBO

WITHIN THE next few months, 400 pregnant Australian cows will be flown into Shanghai en route for the nearby port city of Ningbo.

The fact that Chinese people traditionally look upon cattle just as beasts of burden and baulk at the very idea of eating dairy products is of no consequence.

The cattle—Herefords, Angus and Murray Greys—are to provide the core of what the local Chinese authorities hope will be a lucrative beef export business, and is the first agricultural joint venture ever signed by the authorities of Ningbo, which is one of the Zhejiang province's most prominent cities.

For Mr Nigel Scheerer, an agricultural consultant based in Tasmania, the deal agreed early this month is one of seven joint ventures he is negotiating in China—the fruit of six visits to China so far this year. Other ventures are in Henan, Jiangsu and Shandong.

At a time when many foreign businessmen are complaining about the myriad frustrations of doing business in China Mr Scheerer's deals provide valuable insights—and perhaps even some encouragement.

With the the 400 pregnant beef cows, Mr Scheerer is providing 15 bulls and three prefabricated buildings to house them. A letter of credit from the National Australian Bank is covering the foreign exchange cost of the deal—about $904,000. The breeding herd is to be built up to about 700 within five years. The veal calves are to be exported to Kuwait, Turkey and Egypt—about 700 a year by 1990. Export earnings are expected to amount to over $500,000 a year, with profits shared for the duration of the 30-year joint venture period.

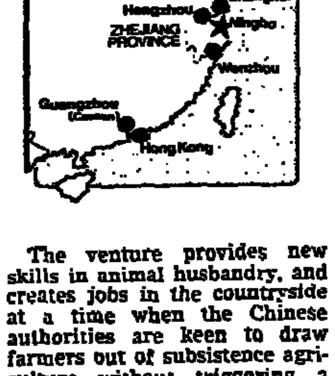
Unusually for a 50-50 joint venture in China, Mr Scheerer's company, called Nigel Scheerer Associates, will appoint the executive president of the new company, to be known as the Ning-Au Agricultural Development Company, and will have the casting vote in board decisions.

Even in the flush of satisfaction on completion of the deal—which now only has to be ratified by Peking — Mr Scheerer admitted the negotiations had not been without their hiccoughs. He was told at the outset that 1,200 acres would be available for the project, and only after several weeks of discussion and the first site visit did he discover that the land was spread over 20 square kilometres, with no single parcel larger than 50 acres.

"It wasn't the Chinese that misled me," he commented. "It was just that it never occurred to me to ask. On another occasion it was only after I had drawn up plans for an animal feed plant that they volunteered the information that they already have one."

There are a number of clear reasons why this deal has been quickly agreed while so many flounder or drag on for years: The Ningbo municipal authorities had the power to approve a small scale venture such as this without getting approval from higher authorities. Though Ningbo has been designated one of China's 14 open coastal cities for the past two years its government has to get approval from provincial or national departments for major projects in manufacturing, while significant infrastructural projects are handled exclusively in Peking.

The contract calls for no foreign exchange payment from the Chinese partner. On the contrary, while the letter of credit will cover the foreign exchange costs of setting up the venture, the contractural commitment from Scheerer to export veal calves ensures a steady foreign exchange income from the moment the project is in operation.



The venture provides new skills in animal husbandry, and creates jobs in the countryside at a time when the Chinese authorities are keen to draw farmers out of subsistence agriculture without triggering a flood of population into the cities from rural areas.

Alongside the agreement on beef exports, Mr Scheerer has set up a joint venture to export Papinos, a fruit bred in Australia that is said to be something like a cross between a honeydew melon and an apricot.

About 100,000 papino trees are to be planted in four counties in the Ningbo municipality over the next 12 months, with the aim of eventually exporting 250,000 cases a year, mainly into the South East Asian region.

To build credibility with his Chinese counterparts, and to ease their concern that business links with foreign partners should be "mutually beneficial," Mr Scheerer has strayed far from his agricultural specialism. He has helped the Ningbo municipality to export diesel engines to Australia, and even buckets. Partners in his company have been given a 180 day exclusive right to put together proposals for a country club in Qikou, south of Ningbo, which would include a golf course and other outdoor sports in a heavily forested area next to a 3,000 foot waterfall and a large lake.

Closer to his own expertise, Mr Scheerer is discussing sheep and cattle rearing projects in Jiangsu, Henan, and in Shenzen, the special economic zone next door to Hong Kong on the southern coast of China.

Such has been the progress of business in China, that Mr Scheerer admits his staffing resources are being stretched hard. China is also accounting for the lion's share of his present work, with his only other projects in Equador, Brunei and Burma.

With the ink on agreements only now beginning to dry, it is probably premature for Mr Scheerer to feel euphoric. Having cleared all of the hurdles to signing an agreement, he must now brace himself for what are likely to be the equally perplexing problems of putting the agreement into effect. He is a man that many businessmen would be keen to meet in a year's time. Will he then still have a success story to tell?

Ivory coast coffee crop sharply higher

By Peter Blackburn in Abidjan

THE IVORY Coast, the world's third largest coffee exporter, has announced a sharply improved crop in 1984-85 and there are prospects of another excellent crop next season. This season's crop totalled 300,000 tonnes, nearly quadruple the 1983-84 drought-affected crop of only 85,000 tonnes. Mr Denis, Bra Kanon, the Agriculture Minister, said the excellent coffee crop, the best for four years, was due to "good rainfall and pruning."

The Government has launched a programme to prune 20,000 hectares a year between 1985 and 1995 with farmers receiving $140 for each hectare pruned. Some 10,000 hectares of new bushes will also be planted.

In this way the Government plans to rejuvenate the country's ageing coffee plantations and increase productivity.

Traders point out that this season's coffee crop was higher than earlier forecasts of 270,000 tonnes and that this could be due to a lower-than-expected proportion of black cherries. Another good crop is expected in 1985-86 following good flowering and setting

Meanwhile the completion of the 1984-85 cocoa mid-crop harvest has been delayed by prolonged wet weather.

The main crop was estimated at some 480,000 tonnes and the overall crop has already broken the "historic ceiling" of 500,000 tonnes, according to government officials. Traders say the final total could even approach the Ghanaian world record crop of 566,000 tonnes in 1965-66.

However, the continued wet weather and late arrival of the mini-dry season is raising fears of pod rot and creating considerable uncertainty about the size of next season's crop, according to traders and analysts.

Rise in U.S. distillate fuel oil stocks

By Nancy Dunne in Washington

U.S. STOCKS of distillate fuel oil rose slightly last week but remained well below last year's levels, according to the American Petroleum Institute (API).

Stocks stood at 116.8m barrels at the end of last week, more than 23.6m barrels lower than in 1984. The API said last week that distillate deliveries in August rose 4.7 per cent in the U.S. over August 1984, despite the fact that demand related to truck and rail traffic lagged behind previous year levels.

Stocks of distillate have been running consistently behind 1984 levels. An API analyst said that the excess refining capacity in the U.S. has enabled dealers to keep less stocks on hand.

Crude oil stocks dropped by 6.2m barrels last week to 312m barrels, more than 14.5m barrels less than in 1984. The analyst said buyers may still be watching for a break in oil prices.

Residual fuel stocks fell slightly last week to 40.5m barrels, almost 8m barrels less than last year. Gasoline stocks fell by 1.5m barrels to 225.2m

LONDON MARKETS

THERE WERE wide fluctuations in tin prices on the London Metal Exchange yesterday. In morning trading, three-months standard metal dropped under further heavy selling pressure from merchants and commission houses to a new 18-month low of £8,480 per tonne before recovering on intermittent buffer stock support to the unofficial close of £8,710.50. In addition, the premium for cash metal rose to about £65 from £45 the previous day. Dealers said the latest bout of selling may have represented another attempt to challenge the buffer stock manager's control of the market. Many of them were watching developments at this week's London meeting of the International Tin Council, where consumers yesterday suggested setting up a working group to study a producer request for more funds for the buffer stock.

INDICES

FINANCIAL TIMES

Sep. 24	Sep. 23	M'th ago	Year ago
261.52	261.04	261.12	289.06

(Base: July 1 1952 = 100)

REUTERS

Sep. 25	Sep. 24	M'th ago	Year ago
1696.8	1702.2	1683.4	1863.9

(Base: September 18 1931 = 100)

DOW JONES

Dow Jones	Sept. 19	Sept. 18	Month ago	Year ago
Spot	112.11	111.46	—	124.49
Fut.	114.39	114.03	—	124.59

(Base: December 31 1931 = 100)

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

METALS	Sept 25 1985	+ or —	Month ago
Aluminium	£1100	......	£1100
Free Mkt.	$1005/25	......	$1055/75
Copper			
Cash h Grade	£954.5	—2	£996.5
3 mths	£979.75	—1.75	£1022.7
Gold Troy oz	$326.75	+0.25	$340.00
Lead Cash	£283.75	—3	£301.5
3 mths	£292.12	—2.75	£302.25
Nickel			
Free Mkt.	202/227c	—0.50	229/240c
Palladium oz	$100.60	—0.15	$107.10
Platinum oz	$312.45	+1.20	$342.25
Quicksilver†	$280/290	......	$290/300
Silver troy oz	430.55p	+0.55	456.15p

OTHERS			
Cocoa Ft. Dec.	£1765.5	+6	£1764.5
Coffee Ft. Nov.	£1583.5	+18.5	£1605.5
Cotton A index	52.15c	—0.35	56.05c
Gas Oil Nov.	$252.25	+3.75	$241.5
Rubber (kilo)	58.00p	......	61.00p
Sugar (raw)	$138z	+1	$125
Wooltops 64s	430p kilo	......	425p kilo

‡ Unquoted. z Sept-Oct. y-Oct. x Oct-Nov. †Per 761 lb flask. cCents a pound.

COCOA

Futures traded quite actively today but were again restricted to a narrow range and finally closed £10.00 steadier on the day. Producers continued withdrawn as did consumers, however there was renewed second hand trading of the nearby positions, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
Sept.	1737-1750	+5.0	1747-1738
Dec.	1765-1766	+6.0	1782-1778
March	1816-1819	+9.0	1824-1808
May	1835-1837	+13.5	1842-1822
July	1841-1842	+13.5	1841-1828
Sept.	1845-1846	+13.5	1848-1834
Dec.	1826-1830	+4.0	1832-1825

Sales: 2,987 (2,314) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for Sept 25: 111.89 (111.31): five-day average for Sept 26: 109.65 (108.30).

COFFEE

After opening £2.00-5.00 higher in light volume, gains were extended to £41.00-46.00 during a quiet morning, reports Drexel, Burnham, Lambert. The Afternoon saw prices drifting from the daily highs on commission house selling but remained steady in slightly more active conditions, until a rally in sterling triggered a late decline.

COFFEE	Yesterdy's Close	+ or —	Business Done
Sept.	1555-1558	+19.5	1580-1548
Nov.	1583-1584	+19.5	1612-1578
Jan.	1620-1621	+16.5	1655-1607
March	1650-1651	+18.5	1685-1640
May	1675-1678	+13.0	1698-1676
July	1690-1620	+10.0	1727-1715
Sept.	1740-1758	+20.0	1755-1750

Sales: 3,192 (3,707) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for Sept 24: Comp. daily 1979 118.82 (119.75): 15-day average 118.39 (118.43).

GRAINS

Wheat market remained in a 25p range all day with early losses made up as values approached contract highs on strong physical demand, closing on a steady note. Barley followed a similar pattern with one broker buying barley/selling wheat, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
Nov.	105.95	+0.20	105.80	+0.30
Jan.	108.90	+0.15	108.90	+0.20
Mar.	111.95	+0.10	111.85	+0.05
May	114.90	+0.15	114.70	+0.25
July	117.65	—0.05	—	—

POTATOES

Month	Yesterday's close £ per tonne	Previous close	Business Done
Nov	52.10	51.70	52.70-52.00
Feb	63.40	63.40	64.00-64.00
Apr	80.30	78.90	81.80-78.80
May	86.90	86.00	87.00-86.30

Sales: 736 (645) lots of 40 tonnes.

SOYABEAN MEAL

The market opened 50p down on professional selling, reports T. G. Roddick. Prices remained in narrow ranges in active trading with the market closing mixed.

	Yesterday close £ per tonne	+ or —	Business Done
October	117.0-125.0	—1.50	—
Dec.	123.8-124.2	—0.55	124.0-124.8
Feb.	126.5-127.0	—0.50	126.5-126.5
Apr.	127.0-127.5	—0.35	127.5-127.5
June	126.5-127.5	—0.85	127.5-127.5
August	127.5-129.0	—0.25	—
October	128.0-131.0	+0.50	—

Sales: 527 (312) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $138.00 (£96.50), up $1.00 (up £1.50) a tonne for September-October delivery. White sugar $178.00, down $7.00.

No. 6 Contract	Yest'day's close $ per tonne	Previous close	Business done
Oct	141.0-142.0	140.0-141.0	142.6-138.4
Dec.	145.6-146.0	144.6-144.8	146.4-144.2
Mar.	154.4-154.8	154.6-154.8	155.4-153.0
May	158.6-159.0	158.6-159.0	159.4-157.4
Aug	165.0-165.6	165.2-165.8	166.4-166.4
Oct	171.0-172.0	170.8-171.4	170.8-170.0

Prices drifted some $2.00 from overnight levels but all the losses were recovered later, reports C. Czarnikow.

Sales: 2,289 (1,556) lots of 50 tonnes.

Tate & Lyle delivery price for granulated basis sugar was £199.50 (£198.00) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for Sept 24: Daily price 5.19 (5.13); 15-day average 5.17 (5.16).

PARIS—(FFr per tonne). Dec 1462-1474; March 1488-1490; May 1520-1525; Aug 1568-1580; Oct 1600-1620; Dec 1630-1660.

U.S. MARKETS

THE precious metal markets were steady to slightly higher as speculative interest continued to be supported by the weakness in the dollar, reports Heinold Commodities. Copper and aluminium traded modestly lower in response to profittaking and indications copper stocks at refineries outside the U.S. increased during the latest reporting period. Sugar remained steady to higher with the nearby October showing favourable gains on shortcovering ahead of its expiration on September 30. Uncertainty over the progress of ICO talks and the lack of producer selling helped firm coffee values. Cocoa values were maintained in a tight trading with light arbitrage support noted on sterling weakness. Cotton continued to trade in a choppy fashion reflecting with resistance overhead from harvest pressure. The energy complex firmed

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Sept	43.05	—	—	43.30
Oct	43.25	—	—	43.50
Nov	43.55	—	—	43.75
Dec	44.00	44.15	43.95	44.25

CHICAGO

OIL

FREIGHT FUTURES

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar suffers late fall

The dollar fell sharply towards the close of trading in London, on rumours that an official from the Bank of Japan had suggested a possible 20 per cent devaluation of the U.S. currency. Suspicion that the Japanese central bank would intervene heavily again in the market drove the dollar lower, while expectations of lower U.S. interest rates were boosted when the Federal Reserve added liquidity to the New York banking system when Federal funds were trading at less than 8 per cent. There was no sign of open market intervention by European central banks yesterday, but the German Bundesbank continued to sell dollars at the Frankfurt fixing. After unsuccessful attempts to rally, the dollar fell through the previous resistance level of DM 2.70 to close at the lowest level of the day, and the weakest since June last year, but trading was generally quiet.

The dollar fell to DM 2.68 from DM 2.7140 FFr 8.20 from FFr 8.2740; SwFr 2.2065 from SwFr 2.2295 and Y226.90 from Y229.70. On Bank of England figures the dollar's index fell to 134.1 from 134.4.

STERLING — Trading range against the dollar in 1985 is 1.4490 to 1.0525. August average 1.3838. Exchange rate index fell to 82.6 from 82.8. It opened at 82.7, the highest level of the day, and was very steady, touching a low of 82.5 at 1 pm.

Sterling closed at its highest level against the dollar since April 1984, gaining 80 points to $1.4395-1.4405, the peak of the day. On the other hand the pound was weak against most other major currencies, falling to DM 3.86 from DM 3.8850; FFr 11.8075 from FFr 11.8475; SwFr 3.1775 from SwFr 3.1925 and Y326.75 from Y329. In spite of higher London money market rates, sterling remained nervous on fears that a weaker dollar will reduce North Sea oil revenues, while the Opec meeting on October 3 also overhangs the market.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 2.6800. August average 2.7936. Exchange rate index 127.5 against 119.9 six months ago.

The D-mark improved slightly against a rather depressed dollar in quiet Frankfurt trading. The dollar ended in the middle of the day's range at DM 2.71, compared with DM 2.72325 on Tuesday, as traders remained nervous about possible intervention by central banks. The Bundesbank sold $82.1m at the fixing in Frankfurt, when the dollar was near the day's high at DM 2.7160. It was previously fixed at DM 2.7130. There was no sign of intervention by the German central bank on the open market, but the market generally seemed to lack the courage to test the authorities' resolve after the Group of Five meeting at the weekend. The dollar's close was only slightly above the opening level of DM 2.70875. Today's Bundesbank council meeting is not expected to change monetary policy. Intervention by the German central bank this week has been on a much smaller scale than the Bank of Japan, but the Bundesbank appears to be determined to keep a strong presence in the market through dollar sales at the fixing.

STERLING INDEX

	Sept 25	Previous
8.30 am	82.7	83.0
9.00 am	82.7	83.1
10.00 am	82.7	83.0
11.00 am	82.7	83.0
Noon	82.6	82.9
1.00 pm	82.5	82.9
2.00 pm	82.6	82.9
3.00 pm	82.7	82.6
4.00 pm	82.6	82.8

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu September 25	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.8320	45.0717	+0.53	+0.87	±1.5425
Danish Krone	8.12857	8.07841	−0.62	−0.28	±1.6421
German D-mark	2.23840	2.22286	−0.69	−0.35	±1.1455
French Franc	6.86402	6.78451	−1.16	−0.82	±1.3654
Dutch Guilder	2.52208	2.50344	−0.74	−0.40	±1.5162
Irish Punt	0.724578	0.717013	−1.04	−0.70	±1.6673
Italian lira	1520.60	1502.80	−1.17	−1.17	±4.0856

Changes are for Ecu, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

£ IN NEW YORK

	Sept. 25	Prev. close
£ Spot	$1.4415-1.4425	$1.4498-1.4480
1 month	0.47-0.44 pm	0.44-0.45 pm
3 months	1.20-1.16 pm	1.11-1.09 pm
12 months	3.10-3.00 pm	2.80-2.75 pm

Forward premiums and discounts apply to the U.S. dollar

POUND SPOT—FORWARD AGAINST POUND

Sept 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4205-1.4405	1.4395-1.4405	0.47-0.44c pm	3.79	1.20-1.16pm	3.26
Canada	1.9387-1.9485	1.9420-1.9460	0.57-0.48c pm	3.24	1.32-1.17pm	2.56
Nethlnd.	4.34⅝-4.39½	4.38¾-4.39½	2½-2⅜c pm	5.98	6¾-6pm	5.58
Belgium	78.20-78.65	78.20-78.30	23-16c pm	2.99	51-38pm	2.27
Denmark	14.03-14.16	14.15-14.16	4⅛-3⅞ore pm	3.39	11-8⅞pm	2.93
Ireland	1.2461-1.2523	1.2469-1.2479	0.29-0.14p pm	2.07	0.65-0.32pm	1.56
W. Ger.	3.85½-3.87¾	3.85½-3.86½	2½-2¼pf pm	7.38	6⅝-6½pm	6.87
Portugal	236¾-241½	236¾-241½	40c pm-290 dis	−6.25	340-1315dis	−13.79
Spain	233-234¾	233½-233¾	5c pm-35 dis	−0.77	75-200dis	−2.38
Italy	2,608½-2,624¾	2,626¼-2,627¾	1-4 lire dis	−1.14	8-13dis	−1.60
Norway	11.50-11.59	11.58-11.59	½-1½ore dis	−0.91	3¼-4½dis	−1.32
France	11.78½-11.85	11.80½-11.80¾	2-1½c pm	1.78	2-1½pm	0.59
Sweden	11.56-11.68½	11.67½-11.68½	3½-4¼ore dis	−3.92	11¼-12½dis	−4.09
Japan	326¼-329¾	326¼-327¼	1.44-1.34y pm	5.10	4.06-3.93pm	4.89
Austria	27.10-27.45	27.15-27.45	16-14½gro pm	6.70	43½-39pm	6.05
Switz.	3.16½-3.19	3.17¼-3.18¼	2-1⅞c pm	7.32	6½-6¼pm	6.77

Belgian rate is for convertible francs. Financial franc 79.20-79.30. Six-month forward dollar 2.00-1.95c pm, 12-month 3.10-2.95c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Sept 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4205-1.4405	1.4395-1.4405	0.47-0.44c pm	3.79	1.20-1.15pm	3.28
Ireland†	1.1398-1.1570	1.1560-1.1570	0.23-0.13c pm	189	0.65-0.60pm	219
Canada	1.3580-1.3620	1.3310-1.3620	0.05-0.08c dis	−0.57	0.22-0.27dis	−0.72
Nethlnd.	3.0430-3.0625	3.0485-3.0495	0.60-.57c pm	2.30	1.78-1.75pm	2.32
Belgium	54.30-55.10	54.30-54.40	2-3c dis	−0.55	11-13dis	−087
Denmark	9.82¼-9.87¾	9.82¾-9.83¼	par-½ore dis	−0.30	½-1dis	−0.30
W. Ger.	2.6780-1.7195	2.6795-2.6805	0.83-0.78pf pm	3.58	2.46-2.41pm	3.59
Portugal	168-171	169-171	25-250c dis	−9.78	375-1050dis	−16.86
Spain	163.00-163.96	163.00-163.20	45-65c dis	−4.03	170-250dis	−5.13
Italy	1,824-1,835¾	1,824-1,825	7-8 lire dis	−4.91	22-23dis	−4.91
Norway	8.04¼-8.08¾	8.04¼-8.04¾	3-3½ore dis	−4.84	9-9½dis	−4.59
France	8.19½-8.30	8.19½-8.20½	1.20-1.35c dis	−1.85	5.30-5.70dis	−2.65
Sweden	8.10¼-8.13¼	8.10¼-8.11¼	5-5½ore dis	−7.76	14¼-15¼dis	−7.30
Japan	226.80-229.90	226.85-226.95	0.28-0.24y pm	1.38	0.93-0.88pm	1.58
Austria	19.00½-19.10½	19.07-19.07½	5¼-4½gro pm	3.06	15-12½pm	2.88
Switz.	2.2060-2.2365	2.2060-2.2070	0.75-0.70c pm	3.90	2.05-2.00pm	3.64

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 55.00-55.10.

OTHER CURRENCIES

Sept 25	£	$		£ Note Rates
Argentina Austl.	1.1408-1.1431	0.8000-0.8010	Austria	27.10-27.40
Australia Dollar	2.0085-2.0125	1.4065-1.4085	Belgium	78.75-79.55
Brazil Cruzeiro	10,951-11,016	7,660-7,720	Denmark	14.03-14.17
Finland Markka	8.2575-8.2775	5.8010-5.8030	France	11.78-11.90
Greek Drachma	186.31-190.35	130.18-132.92	Germany	3.85-3.90
Hongkong Dollar	11.0975-11.1075	7.7830-7.7880	Italy	2600-2645
Iran Rial	120.50*	89.10*	Japan	328-331
KuwaitDinar(KD)	0.4270-0.4275	0.29940-0.29950	Netherlands	4.35-4.39
LuxembourgFr.	78.20-78.30	54.30-54.40	Norway	11.49-11.60
Malaysia Ringgit	3.5025-3.5125	2.4570-2.4600	Portugal	235-250
NewZealand Dlr.	2.6480-2.6580	1.8585-1.8665	Spain	226-238
Saudi Arab Riyal	5.2070-5.2125	3.6505-3.6515	Sweden	11.57-11.69
Singapore Dollar	3.0750-3.0850	2.1580-2.1610	Switzerland	3.17-3.20
Sth African Rand	3.6455-3.6590	2.5545-2.5640	United States	1.42-1.44
U.A.E. Dirham	5.2380-5.2435	3.6720-3.6750	Yugoslavia	480-520

* Selling rate.

Rand Financial rate: 2.7395-2.8170 ($) and 3.9095-4.0200 (£).

CURRENCY MOVEMENTS

Sept. 25	Bank of England Index	Morgan Guaranty Change %
Sterling	82.6	−7.8
U.S. dollar	134.1	+20.9
Canadian dollar	85.2	−8.0
Austrian schilling	117.9	+4.3
Belgian franc	91.6	−10.8
Danish Kroner	80.7	−5.0
Deutsche mark	127.5	+10.1
Swiss franc	150.7	+13.1
Guilder	117.4	+4.5
French franc	68.1	−12.8
Lira	44.4	−20.8
Yen	160.9	+17.3

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Sept. 25	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.734804	0.574858
U.S.$	7½	1.04783	0.819187
Canadian $	9.27	*	1.11426
Austria Sch.	4	19.9706	15.6819
Belgian Fr	9½	57.7092	45.0717
Danish Kr	7	10.3195	8.07841
D mark	4	2.84591	2.22286
Guilder	5	3.20479	2.50344
French Fr	9½	8.68705	6.78451
Lira	15½	1922.77	1502.80
Yen	5	240.477	188.085
Norway Kr.	8	8.45284	6.60879
Span'h Pta.	—	171.624	134.183
Swedish K.	10½	N/A	6.66875
Swiss Fr	4	2.33750	1.82498
Greek Dr'ch	20½	138.062	108.182
Irish Punt	13¼	0.917138	0.717013

*C$/SDR rate for Sept 24: 1.42891.

EXCHANGE CROSS RATES

Sept. 24	Pound St'ling	U.S. Dollar	Deutschemk.	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.440	3.860	326.8	11.81	3.178	4.590	2627.	1.944	78.25
U.S. Dollar	0.694	1.	2.680	226.9	8.200	2.207	3.049	1825.	1.350	54.34
Deutschemark	0.259	0.373	1.	84.65	3.059	0.823	1.137	680.6.	0.504	20.27
Japanese Yen 1,000	3.060	4.407	11.81	1000.	36.14	9.725	13.44	8041.	5.950	239.5
French Franc 10	0.847	1.220	3.269	276.7	10.	2.691	3.718	2225	1.646	66.27
Swiss Franc	0.315	0.453	1.215	102.8	3.716	1.	1.382	826.8	0.612	24.63
Dutch Guilder	0.228	0.328	0.879	74.43	2.690	0.724	1.	598.5	0.443	17.82
Italian Lira 1,000	0.381	0.548	1.469	124.4	4.494	1.209	1.671	1000.	0.740	29.78
Canadian Dollar	0.514	0.741	1.986	168.1	6.074	1.635	2.258	1351.	1.	40.25
Belgian Franc 100	1.278	1.840	4.933	417.6	15.09	4.061	5.610	3358.	2.484	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Sept. 25	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	11⅞-12	7⅞-8	7½-7¾	5¹³⁄₁₆-5¹⁵⁄₁₆	1⅛-1⅝	4¹⁄₁₆-4³⁄₁₆	9⅝-9⅝	10-13	8⅜-8⅝	8⅛-8¾	6⅞-7	8¼-8¾
7 days' notice	11⅞-12	7⅞-8	7⅞-8⅛	5⅝-5¾	10¾-11	4⅜-4½	9⅜-9⅝	11¾-13	8¾-9	8¾-9	6⅝-6⅞	9-9½
Month	11⅝-11¾	7⅞-8	8⅜-8⅝	5¹¹⁄₁₆-5¹³⁄₁₆	4⅞-4⅝	4⅜-4½	9¾-10¼	12⅛-13⅛	8¾-9	8¾-9	6⅝-6¹¹⁄₁₆	8⅞-9⅜
Three months	11⅝-11⅞	8-8⅛	8⅝-8⅞	5¹¹⁄₁₆-5¹³⁄₁₆	4⅛-4⅜	4⅜-4½	10⅞-11⅛	12⅝-13⅛	9-9¼	9-9¼	6⅜-6½	8⅞-9⅜
Six months	11⅛-11¼	8⅛-8¼	9-9¼	5¾-5⅞	4⅝-4¾	4⅜-4¹¹⁄₁₆	11¼-11¾	12¾-13¼	9½-9¾	9⅜-9⅝	6⅜-6⅞	8¾-9¼
One year	10¹⁵⁄₁₆-11¹⁄₁₆	8½-8⅞	9⅞-9¹¹⁄₁₆	5¾-5⅞	4⅝-4¾	4⅝-4¾	11½-12	13½-14	9⅝-9⅞	9½-9¾	6¼-6⅜	9-9½

Asian $ (closing rates in Singapore): Short-term 7⅞-8 per cent; seven days 7⅞-8 per cent; one month 7¹⁵⁄₁₆-8¹⁄₁₆ per cent; three months 8⅟₁₆-8³⁄₁₆ per cent; six months 8¼-8⅜ per cent; one year 8⁹⁄₁₆-8¹¹⁄₁₆ per cent. Long-term Eurodollars: two years 9¼-9½ per cent; three years 9⅞-10⅛ per cent; four years 10¼-10½ per cent; five years 10⅜-10⅝ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

UK rates slightly firmer

Trading was rather dull and uneventful in the London money market yesterday. Interest rates were marked up a little, particularly at the longer end, with one year interbank money at 10¹⁵⁄₁₆-11¹⁄₁₆ per cent compared with 10⅞-11¹⁄₁₆ per cent. Three-month money was also slightly higher at 11⁵⁄₁₆-11⁷⁄₁₆ per cent compared with 11¼-11⁵⁄₁₆ per cent. Three-month eligible bank bills were bid at 11⁵⁄₃₂ per cent from 11-11³⁄₃₂ per cent. Overnight interbank money opened at 11⅞-12 per cent and reached 12¼ per cent before slipping away to 10 per cent. Late balances were taken at 11⅛ per cent.

The Bank of England forecast a shortage of around £450m, with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £466m and a rise in the note circulation a further £80m. In addition banks brought forward balances £15m below target. These were partly offset by Exchequer transactions which added £125m.

The forecast was revised to a shortage of around £400m and the Bank gave assistance in the morning of £34m. This comprised purchases of £13m of eligible banks bills in band 2 (15-33 days) at 11⅛ per cent and in band 3 (34-63 days) £3m of Treasury bills, £2m of local authority bills and £15m of eligible banks bills all at 11⅛ per cent. In band 4 (64-91 days) it bought £1m of eligible bank bills at 11⅟₁₆ per cent.

The forecast was revised once again this time to a shortage of £350m, before taking into account the early help and the Bank gave additional assistance in the afternoon of £326m. This comprised purchases of £44m of eligible banks bills in band 1 at 11⅛ per cent and £235m in band 2 at 11⅟₁₆ per cent. In band 3 it bought £44m of eligible bank bills at 11⅛ per cent and £3m in band 4 at 11⅟₁₆ per cent. Late assistance came to £45m, making a day's total of £405m.

UK clearing banks base leading rate 11½ per cent since July 29.

MONEY RATES

Sept. 25	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	4.4-4.5	9⅝	⅞-1⅛	5⅝-5¹¹⁄₁₆	6.59375	14⅛-14⅛	7.85	9⅝-10
One Month	4.55-4.65	9⅝-9½	4⅜-4½	5¹¹⁄₁₆-5¾	6.59375	13⅞-14¼	8¾-9	9⅝-9⅞
Two Months	4.6-4.7	9⅞-9⅞	—	—	6.40625	—	—	9¾-10
Three Months	4.6-4.7	9⅞-9⅞	4⅞-4⅞	5¹¹⁄₁₆-5¹³⁄₁₆	6.40625	14-14⅜	9¼	9⅞-10⅛
Six Months	4.65-4.80	9½-9⅝	—	5¾-5⅞	—	—	9⅜-9⅝	10¼-10½
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	9⅜	—	—	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Sept. 25 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	10-12¼	11⅞	11-12⅛	7-12	—	—	—	—	—
2 days notice	—	—	11⅝-11¾	—	—	—	—	—	—	—
7 days or	—	—	11⅝-11¾	—	—	—	—	—	—	—
7 days notice	—	11¾-12	11⅞	12-12⅛	11⅝-12¾	—	—	—	—	—
One month	11¾-11⅞	11⅝-11¹¹⁄₁₆	11½	11⅞	11¼	11⅞	11⅞	11⅜	11⅜-11⅞	12
Two months	11½-11⅝	11⅞-11⅞	11¼	11¾	11	11⅛	11	11⅞	11⅛-11⅞	11⅞
Three months	11⅜-11¼	11⅝-11⅞	11⅛	11⅝	10¾	11	10⅞	11⅞	10⅞	11⅞
Six months	10⅞-10⅞	11-11⅛	11⅛	—	—	—	—	10⅞	10⅜	11⅛
Nine months	10⅞-10¾	10⅞-11⅛	11	—	—	—	—	—	—	—
One year	10⅞-10⅞	10⅞-11⅛	10⅞	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	12-11¾	—	11¾-11⅞	7.75-7.85	7⅞-7	8⅛-8¼
Two months	11¾-11½	—	11⅝	7.75-7.85	7⅝-7⅞	8¼-8⅜
Three months	11⅝-11⅜	—	11½	7.8-7.9	7⅝-7⅞	8⅛-8⅞
Six months	11⅜-11⅛	—	11¼	7.95-8.05	7¾-8	8⅞-8⅞
Nine months	11¼-11	—	11⅛	8.15-8.25	—	—
One year	11⅛-10⅞	—	11	8.3-8.4	7⅞-8⅛	8⅞-9
Two years	—	11	—	—	—	—
Three years	—	10⅞	—	—	—	—
Four years	—	10⅞	—	—	—	—
Five years	—	10⅞	—	—	—	—

ECGD Fixed Finance IV: Average rate of interest period August 7 to September 3 (inclusive): 11.574 per cent. Local authority and finance houses seven days' notice, other seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 12 per cent from September 1 1985. London and Scottish Clearing Bank Rates for lending 11½ per cent. Bank Deposit Rates for sums at seven days' notice 6.25-6.625 per cent (net). Treasury Bills: Average tender rate of discount 11.0864 per cent. Certificates of Tax Deposits (Series 6): Deposits £100,000 and over held under one month 11½ per cent; one-three months 11½ per cent; three-six months 11½ per cent; six-nine months 11 per cent; nine-12 months 11 per cent. Under £100,000 10½ per cent from September 24. Deposits held under Series 5 11 per cent. The rate for all deposits withdrawn for cash 7½ per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. Sept. 25)

3 months U.S. dollars

bid 8	offer 8 1/8

6 months U.S. dollars

bid 8 3/16	offer 8 5/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	9½
Broker loan rate	9¼
Fed funds	7¹³⁄₁₆
Fed funds at intervention	7¹³⁄₁₆

Treasury Bills

One month	6.89
Two month	6.93
Three month	7.08
Six month	7.36
One year	7.86

Treasury Bonds

Two year	8.91
Three year	9.15
Four year	9.45
Five year	9.68
Seven year	10.11
10 year	10.28
30 year	10.57

FINANCIAL FUTURES

Eurodollars firm

Eurodollar prices finished at the day's highs in the London International Financial Futures Exchanges yesterday, recovering from a weaker trend earlier in the day. Trading was rather lacklustre in view of a Jewish holiday while attention remained focussed on the performance of the dollar. The latter showed little overall change and after early attempts to rally, Eurodollar prices met profit taking before improving in late trading, helped by a lower Federal funds rate.

U.S. Treasury bonds reacted in much the same way with the December price opening at 75-14 up from 74-29 and touching a low of 75-07 before recovering to close at 75-17.

Sterling based instruments showed mixed changes with three-month sterling for December delivery helped initially by strong buying from one major UK clearing bank up to a high of 89.42 from an opening level of 89.39. However this appeared to be much against the trend and values slipped back to close around the day's low at 89.32, down from Tuesday's close of 89.36.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	91.81	91.82	91.77	91.69
March	91.45	91.46	91.41	91.33
June	91.05	91.07	91.02	90.98
Sept	90.67	90.71	90.67	90.61
Dec	90.35	—	—	90.30
March	90.05	—	—	90.00
June	89.77	—	—	89.72

Est volume 4,737 (5,634)
Previous day's open int 16,798 (18,736)

THREE-MONTH STERLING £500,000 points of 100%

	Close	High	Low	Prev
Dec	89.32	89.42	89.31	89.36
March	89.63	89.70	89.64	89.64
June	89.63	89.68	89.63	89.64
Sept	89.62	89.69	89.63	89.66
Dec	89.62	89.63	89.61	89.66

Est volume 2,201 (2,634)
Previous day's open int 5,866 (5,817)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Sept	112-24	—	—	112-18
Dec	112-26	112-26	112-19	112-20
March	112-28	—	—	112-22

Est volume 805 (2,597)
Previous day's open int 4,012 (3,926)
Basis quote (clean cash price of 13½% Treasury 2004/08 less equivalent price of near futures contract) −5 to +4 (32nds)

10% NOTIONAL SHORT GILT £100,000 64ths of 100%

	Close	High	Low	Prev
Dec	98-18	98-22	98-15	[illegible]-19
March	98-34	—	—	98-35

Est volume 426 (865)
Previous day's open int 1,172 (1,275)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	141.65	142.15	141.20	141.[illegible]
March	140.85	140.90	140.80	140.90
June	140.20	—	—	140.30

Est volume 110 (494)
Previous day's open int 2,768 (2,630)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3719	0.3725	0.3708	0.3706
March	0.3761	0.3750	0.3750	0.3738

Est volume 50 (420)
Previous day's open int 377 (343)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4531	0.4535	0.4529	0.4514
March	0.4569	0.4566	0.4566	0.4552

Est volume 58 (360)
Previous day's open int 114 (238)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4376	0.4376	0.4374	0.4364
March	0.4397	0.4395	0.4395	0.4387

Volume 35 (382)
Previous day's open int 121 (232)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Sept	127.60	128.10	127.35	128.10
Dec	128.60	128.90	128.30	128.80

Est volume 459 (883)
Previous day's open int 1,934 (1,747)

U.S. TREASURY BONDS 8% $100,000

	Close	High	Low	Prev
Dec	75-17	75-19	75-07	74-29
March	74-16	74-07	74-07	73-27

Est 1,811 (4,219)
Previous day's open int 2,862 (2,878)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	75-18	75-18	75-07	75-13
March	74-13	74-13	74-03	74-09
June	73-11	73-11	73-04	73-08
Sept	72-10	72-10	72-04	72-09
Dec	71-14	71-14	71-14	71-12
March	70-17	70-17	70-13	70-17
June	—	—	—	69-25
Sept	—	—	—	—
Dec	—	—	—	68-15
March	—	—	—	67-29

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Sept	93.16	93.23	93.16	93.21
Dec	92.98	92.98	92.92	92.96
March	92.61	92.61	92.57	92.61
June	92.24	92.24	92.22	92.24
Sept	91.89	91.89	91.89	91.92
Dec	91.58	—	91.58	91.60
March	91.30	—	91.30	91.32
June	91.02	—	91.02	91.06

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Sept	92.24	92.25	92.20	92.25
Dec	92.14	92.14	92.09	92.13
March	—	—	—	91.73
June	—	—	—	91.34

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	91.81	91.82	91.76	91.79
March	91.43	91.43	91.39	91.40
June	91.04	91.04	91.00	91.01
Sept	—	—	—	—
Dec	90.30	90.30	90.30	90.31
March	89.97	89.97	89.97	89.99
June	89.69	89.70	89.69	89.70
Sept	90.66	90.66	89.43	90.65

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Dec	1.4156	1.4205	1.4140	1.4215
March	1.4080	1.4145	1.4080	1.4135
June	1.4025	—	1.4025	1.4085
Sept	—	—	—	1.3335

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	76-06	76-06	76-02	76-04
March	75-12	75-12	75-08	75-10
June	74-18	74-18	74-14	74-16
Sept	73-21	73-21	73-14	73-19

LIFFE OPTIONS REPORT

Sterling Currency—£25,000 c per £. Sterling remained steady with little chance of near term UK base rate cut.

Est volume Calls	Est volume Puts	Previous day's open interest Calls	Previous day's open interest Puts
345	675	5969	6775

Eurodollar Future—points of 100%. Rates eased following yesterday's group of five agreement.

Est volume Calls	Est volume Puts	Previous day's open interest Calls	Previous day's open interest Puts
55	185	1419	1462

For full details of settlement prices call: Louise Powell of LIFFE on 01-623 0444
LIFFE, ROYAL EXCHANGE, LONDON EC3V 3PJ

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1985 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101$\frac{11}{16}$	99$\frac{5}{16}$	Exch. 12¼pc 1985	99$\frac{13}{16}$	....	12.26	11.75
101$\frac{3}{16}$	99$\frac{3}{4}$	Exch. 11¼pc '86	100¼	−$\frac{1}{16}$	11.72	10.88
99¾	97$\frac{3}{16}$	Treas. 10pcCnv 1986	99$\frac{11}{16}$xd	....	10.03	10.66
96⅝	92¾	Treas 3pc 1986	96⅛	....	3.11	8.87
100	97½	Exch. 10½pc Cv '86	99¾	....	10.53	10.81
101⅞	99⅝	Treas 12pc 1986	100¾	....	11.91	10.76
98$\frac{7}{16}$	94⅛	Treas 8¼pc 1984-86‡‡	98⅛	....	8.64	10.62
105$\frac{5}{16}$	102$\frac{7}{16}$	Exch. 14pc 1986	103$\frac{5}{16}$xd	−$\frac{1}{16}$	13.55	10.77
94½	87¼	Exch. 2½pc 1986	94⅛	−$\frac{1}{16}$	2.65	7.66
104$\frac{7}{16}$	101¼	Exch. 13¼pc 1987	103	−$\frac{1}{16}$	12.86	10.65
99$\frac{11}{16}$	96⅝	Treas 10¼pcCv '87	99$\frac{9}{16}$	....	10.30	10.53
93	85½	Exch 2½pc 1987	92$\frac{13}{16}$	−$\frac{1}{16}$	2.70	7.86
100$\frac{3}{16}$	96¼	Exch. 10½pc 1987	100xd	−$\frac{1}{16}$	10.50	10.52
94$\frac{13}{16}$	89	Funding 6½pc '85-87‡‡	94$\frac{13}{16}$xd	+$\frac{1}{16}$	6.86	10.18
99$\frac{3}{16}$	95½	Treas. 10pc 1987	99	−$\frac{1}{16}$	10.10	10.61
91$\frac{11}{16}$	84¼	Treas 3pc 1987	91$\frac{11}{16}$	+$\frac{1}{16}$	3.28	8.04
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.73	10.69

Five to Fifteen Years

Over Fifteen Years

Undated

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Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

FINANCE, LAND—Cont.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

MINES—Continued

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

Tins

Miscellaneous

350	117	¶Centennial Min'ls.	177	+7	—	—	—
120	50	¶Colby Res Corp.	50	....	—	—	—
550	287	Cons. Murch. 10c	300	....	Q86½c	3.9	7.5
40	24	¶Emex Int. Ir10p	30	....	—	—	—
215	115	Hampton Areas 10p	135	....	3.75	0.9	3.7
260	135	¶Highwood Res.	170	....	—	—	—
£22½	£17⅛	Homestake Mining $1	£27⅞	....	Q20c	—	0.8
310	162	¶McFinley Red Lake	162	−8	—	—	—
335	195	¶Mascot Explorations	260	−5	—	—	—
55	25	¶New Sabina Res C$1	33	....	—	—	—
375	240	Northgate C$1	240	....	—	—	—
685	533	RTZ	540	....	†20.0	2.7	5.3
£145½	£116½	Do. 9⅝pcLn '95-2000	£121	−1	Q9½%	14.0	8.0
975	925	¶Tara Expln $1	995	+10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution, this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap Stock".
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- Interim since increased or resumed
- Interim since reduced, passed or deferred.
- Tax-free to non-residents on application.
- Figures or report awaited
- Not officially UK listed; dealings permitted under Rule 535(4)(a)
- USM, not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- Dealt in under Rule 535(3).
- Price at time of suspension.
- Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- No par value.

B.Fr. Belgian Francs. Fr. French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xi ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Albany Inv 20p	98		Arnott	210	+5
Craig & Rose £1	700	..	CPI Hldgs	60	...
Finlay Pkg. 5p	52	−14	Carroll Inds.	135	...
Higsons Brew	236	..	Dublin Gas	73	...
Holt (Jos) 25p	730		Hall (R. & H.)	62xd	.
IoM Stm. £1	92	+2	Heiton Hldgs.	22	...
IRISH			Irish Ropes	46	...
Fund 12¼% 1988	£101¼	..	Jacob (W. & R.)	85	+5
Nat. 9¾% 84/89	£97½	..	Unidare	107	−2
Fin. 13% 97/02	£107½	...			

"Recent Issues" and "Rights" Page 42
(International Edition Page 28)

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

LONDON STOCK EXCHANGE

MARKET REPORT

Equities lose ground for fourth consecutive session

Allied Lyons up sharply after-hours

Account Dealing Dates

Option *First Dealings	Declara- tions	Last Dealings	Account Day
Sept 2	Sept 12	Sept 13	Sept 23
Sept 16	Sept 26	Sept 27	Oct 7
Sept 30	Oct 10	Oct 11	Oct 21

* "New-time" dealings may take place from 9.30 am two business days earlier.

Quietly dull trading conditions prevailed in London equity markets yesterday and the FT Ordinary Share Index lost ground for the *fourth consecutive session*. Interest in Gilt-edged securities was also at a low ebb, but here the trend was towards slightly firmer levels.

With sentiment still overshadowed by concern over the firmer pound's impact on major exporters' profitability and fading prospects for lower UK interest rates, jobbers marked blue chip industrials lower at the outset in an effort to deter sellers.

However, they soon reappeared and subsequent persistent offerings *found the market unwilling*. The dull trend was also exacerbated by the absence of many *institutional and other large* investors from the "house" floor because of the Jewish "Day of *Atonement*" *holiday*.

The upshot was that the FT Ordinary Share Index, which opened *0.9 lower, gradually* deteriorated to stand 8.6 off at 2 pm before a late rally helped it *finish 2.1 down at* 980.6, making a decline of 27.2 over the past four days.

The after-hours' recovery movement owed much to a sharp rise of 16 to 283p in Allied Lyons on news that Imperial Group is considering joining the Elders IXL consortium bid for Allied in the wake of the *sale of its* Howard Johnson subsidiary.

Features among secondary equities were few and far between and usually resulted from company trading statements or bid situations, either actual or rumoured.

The volume of business in Gilts left a lot to be desired. Despite the easier trend of sterling on foreign exchange markets following news of the UK's £195m visible trade deficit for August, longer-dated stocks opened an ½ harder and held the enhanced levels throughout, while shorts displayed narrow mixed movements.

Stewart Wrightson up

Lloyd's Broker Stewart Wrightson, up 13 the previous day in response to talk of a bid from Exco, continued to make good progress and closed 19 higher at 687p, after 690p. Others in the sector were undecided. PWS International were 5 dearer at 270p, but C. E. Heath closed a few pence off at 630p.

Overseas debt uncertainties continued to weigh heavily on the major clearing banks. Quotations drifted lower for want of support and NatWest closed 10 lower at 608p. Elsewhere, Bank *of Scotland* were 5 *off at 390p* following the interim results.

Activity in Breweries was dominated by *Allied-Lyons while* other leading issues gave modest ground in extremely thin trading. Bass, 565p, and Whitbread A, 224p, eased 5 and 4 respectively.

Among Regionals, Belhaven eased the turn to 45p on confirmation that the company is set to purchase George Bateman, the Skegness-based concern which recently held unsuccessful negotiations with Midsummer Ins. Buckleys, where Belhaven holds a 6.2 per cent stake, fell 3 to 71p.

RMC provided a bright feature in the Building sector, rising to 402p before closing a net 12 up at 398p following interim profits at the top end of market estimates. *Comment on the pre*liminary results stimulated fresh demand for Barratt Develop*ments which touched 112p prior* to settling 4 dearer at 110p, a two-day gain of 12. George *Wimpey, however,* were a nervous market awaiting today's interim figures and shed 3 to 115p, while Tilbury Group fell 6 to 116p, following reduced first-half profits. Nottingham Brick *attracted* buyers and firmed 5 to 157p, while revived demand in a restricted market *lifted J. Jarvis 20 to 295p*. Buying in a market short of stock prompted a rise of 22 to 147p in *Robert Adlard*.

ICI slipped to a 1985 low of 630p initially, but the appearance of buyers at the lower level left the close a shade firmer on balance at 634p. Elsewhere in the Chemical sector, Laporte were on offer and 7 lower at 315p, while Allied Colloids shed 8 to 130p *following* a broker's downgraded profits estimate.

Stores subdued

Leading Retailers passed an exetremely subdued session and changes were usually restricted to a couple of pence either way. Sears, a rising market of late having broken through a chart point at 100p, eased 2 to 108p. Secondary Stores traded in a similar vein. Perennial takeover favourite Owen Owen touched 435p before closing a net 10 higher at 430p, although dealers were quick to express sceptimism over talk of a bid from Burton. Cecil Gee improved 7 to 117p following a property sale; the first-half figures will be announced at the end of next month. S. Casket rose 4 to 47p, after 49p, in response to the increased full-year profits.

A few pence lower for most of the session, leading Electricals attracted sporadic demand after-hours' and usually finished with modest gains. STC hardened a couple of pence to 88p; Mr Arthur Walsh, formerly managing director of GEC's Marconi subsidiary, has been appointed chief executive of STC. Thorn EMI, sharply lower on Tuesday following a broker's profits downgrading, rallied 4 to 361p. AB Electronic put on 5 to 238p awaiting today's half-timer, while Logica, full-year figures due next Tuesday, met "put" option business and gave up 9 more to 150p.

The Engineering sector gave ground across a broad front with one or two *minor exceptions*. Vickers encountered persistent small sellers throughout the session and eased back to close a further 5 lower at 278p ahead of today's interim figures. Spear and Jackson *initially edged* higher to 162p on further consolidation of the excellent interim results but *profit-taking* subsequently lowered the shares to a closing level of 156p, a net *decline of 2. Elsewhere, the con*tinued absence of any takeover developments left TI a few pence off at 388p.

Food Retailers turned dull as hopes of increased consumer spending faded. Associated Dairies shed 4 to a year's low of 130p and J. Sainsbury lost 6 to 324p. Dee Corporation gave up 9 to 228p while Argyll, a firm market recently on suggestions that Distillers may make a bid for the company, lost the same amount to 328p. Fitch Lovell slipped 3 to 222p despite the chairman's confident statement at the annual meeting, while United Biscuits, up 4 on Tuesday on Imperial Group takeover hopes, fell 6 to 173p. Elsewhere, Wold slumped 24 to 72p on news of increased losses and the warn*ing about second-half profits*, but Bio-Isolates gained 8 to 41p on buying ahead of next Monday's *half-timer. Somportex continued* to attract buyers on asset injection hopes and put on 8 more to 110p, *after 112p*.

Aerospace rise

British Aerospace bucked the dull trend among miscellaneous *industrial leaders, rising 10 to* 418p on the announcement that the group had sold 10 more *business jets. Other international* stocks continued to trade nervously and gave further ground before staging a minor rally at the close. Hansen Trust were a dull market and eased to 190p prior to closing a net 3 off at 192p following reports that the group may increase its offer for SCM Corporation of the U.S. Boots slipped to 196p initially, but the appearance of buyers late in the day left the close just a penny cheaper on balance at *192p. Pilkington, however,* remained a weak market and shed 7 more to 263p and old take*over favourite Bowater lost* the same amount to 318p. Pearson gave up 8 to 300p on lack of *support while Booker McConnell* came on offer and fell 12 to 268p. Cookson, a firm market recently following acquisition news, came back 7 to 283p on profit-taking, while Evered, possible bidders for TI, relinquished 9 to 228p. Elsewhere, Bespak provided at late firm feature and closed 35 higher at 175p on news that a dispute with a UK company that had been handling the sales of its fire extinguishers had been settled out of court. Extel firmed 8 to 348p on revived speculative demand, while Sandhurst Marketing gained the same amount to 68p ahead of Monday's half-timer.

Dealings in Arlington Motor were suspended at 167p at the *outset of trading; it was revealed* after the house close that Unigate, a penny cheaper at 186p, *has made an agreed bid of 234p* cash per share. Kenning, often mentioned as a likely takeover *target, rose 4 more to 120p.* Components lost ground where changed. Dewty, a major equip*ment supplier to the mining* industry, fell 7 to 191p following projections of the closure of *around 50 pits in Britain over* the next five years.

Associated Book Publishers fell 22 to 238p reflecting disappointment with the interim figures, while in Paper/Printing, Finley Packaging which slumped 14 to 52p after poor first-half figures and warning on profit margins. Among advertising agencies and related counters, Boase Massimi Pollitt eased 10 for a two-day fall of 25 at 325p following a generally uninspiring *press response to the mid-term* statement. Saatchi and Saatchi, vurnerable to currency influ*ences, dipped 20 to 685p, while* losses of 10 were common to Valin Pollen, 505p, and Addison *Page, 215p*.

Leading Properties drifted on lack of interest. Elsewhere, Clarke Nickolls shed 5 to *150p* on disappointment with the interim results, while Regalian lost 10 to 250p on profit-taking. Estate agents encountered scrappy selling, Bairstow Eves losing a couple of pence to 97/p and Connells 3 to 132p. Against the trend, Evans of Leeds hardened acouple of pence to 90p and Speyhawk firmed 8 to 275p in restricted markets.

Smith Brothers continued firmly and rose another 7 to *145p as rumours circulated that* Rothschilds is about to dispose of its 24 per cent stake in the company. *Fellow London stock*-jobber Akroyd and Smithers hardened 10 more to 395p awaiting the conclusion of merger negotiations with Mercury Securities. Elsewhere in Financials, Hambro Trust advanced 7 more for a two-day gain of 14 at 190p.

Oils drift

Business in the oil majors was minimal with all the leading issues tending to drift lower on lack of interest. BP dipped to 525p prior to closing a net 2 easier at 528p following news that the Government had given its approval for development of the Nettlesham oilfield in Lincolnshire. Shell lost a few pence more to 65p while LASMO gave up 5 to 268p on fading bid hopes. Tricentrol gradually declined and settled 3 off at 180p.

Many of the secondary and *minor oil stocks fell away to* their lowest levels this year, reflecting persistent but usually moderate selling pressure. Hunting Petroleum, however, hardened a couple of pence to 142p following the increased interim profits and dividend.

South African sectors of mining markets did little more than *tick over during* a very quiet morning session when bullion held around the $318.50 level. However, sentiment took a turn for the worse in the early afternoon when it was announced by Sir Geoffrey Howe, the Foreign Secretary, that Britain is to join the European Community in imposing a package of military and political sanctions against South Africa.

The news sparked off a flurry of selling of Gold and related *issues from London and Conti*nental operators and share prices subsequently gave ground before *steadying in the after-hours* trade. The Gold Mines index showed a further 4.6 decline at *306.3. Bullion was finally quoted* at $318.75.

Losses among the leading heavyweights were generally limited to ½ as in Randfontein, £57½, but Winkelhaak were a vulnerable market and settled a full point lower at £14½.

Interest in London-based Financials centred on Rio Tinto-Zinc; the shares attracted strong *support and touched 452p before* the midday announcement of interim profits up 18.5 per cent and a *marginal increase* in the dividend; subsequent profit-taking left the quotation unchanged *on the day at 540p*. Consolidated Gold Fields hardened to 444p initially, but later eased to close only a shade better on balance at 442p.

Australian mines extended their recent improvements in Sydney and Melbourne markets overnight, but interest in London remained at minimal levels. Golds turned easier and Gold Mines of Kalgoorlie were left with a 13 decline at 507p. Central Norseman Gold dipped 15 to 408p.

FINANCIAL TIMES STOCK INDICES

	Sept. 25	Sept. 24	Sept. 23	Sept. 20	Sept. 19	Sept. 18	year ago
Government Secs	83.79	83.77	84.02	83.39	83.19	83.25	80.54
Fixed interest	89.15	89.10	89.13	88.65	88.56	88.56	83.83
Ordinary ♥	980.6	982.7	995.3	1002.2	1007.8	1000.8	869.0
Gold Mines	306.3	310.9	312.9	310.6	308.6	316.4	537.3
Ord. Div. Yield	4.86	4.83	4.79	4.78	4.72	4.75	4.80
Earnings, Yld. %(full)	11.89	11.86	11.75	11.65	11.57	11.66	11.44
P/E Ratio (net) (*)	10.42	10.44	10.54	10.63	10.70	10.62	10.50
Total bargains (Est.)	21,223	21,009	21,176	21,040	20,647	20,598	17,600
Equity turnover £m.	—	404.60	401.01	364.93	373.30	371.34	278.13
Equity bargains	—	18,162	16,717	19,471	16,268	17,057	16,062
Shares traded (ml)	—	207.7	191.7	167.3	178.2	200.2	160.8

♥ 10 am 981.8. 11 am 980.6. Noon 977.0. 1 pm 975.6. 2 pm 974.1. 3 pm 974.8. 4 pm 975.5.

Day's High 982.4. Day's Low 974.1.

Basis 100 Govt. Secs. 15/10/28. Fixed Int. 1928. Ordinary 1/7/35. *Gold Mines 12/9/55. SE Activities 1974.*

Latest Index 01-246 8026.

* Nil = 10.04.

HIGHS AND LOWS | S.E. ACTIVITY INDICES

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	84.02 (23/9)	78.02 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	89.15 (25/9)	82.17 (28/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.6 (22/1)	911.0 (25/7)	1024.6 (22/1/85)	49.4 (26/6/40)
Gold Mines	536.9 (15/4)	280.1 (29/8)	734.7 (15/2/83)	43.5 (26/10/71)

	Sept. 24	Sept. 23
Daily Gilt Edged Bargains	143.0	166.8
Equities Bargains	117.7	121.5
Equities Value	817.6	810.5
5 day Average Gilt Edged Bargains	138.0	138.7
Equities Bargains	116.2	115.8
Equities Value	774.2	738.2

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Sept 23	Oct 4	Dec 19	Jan 6
Oct 7	Oct 18	Jan 9	Jan 20
Oct 21	Nov 1	Jan 23	Feb 3

For rate indications see end of Unit Trust Service

Call options were transacted in Control Securities, Terrex, Falcon Resources, S. & W. Berisford, Osceola, Bestwood, Crystalate, Allied-Lyons, Dufay Bitumastic, Cadbury Schweppes, Good Relations and Amstrad Consumer Electronics. A put was done in Logica. No doubles were reported.

MONDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Mon. close	Day's change
ICI	18	637	− 7
Br. Aerospace	14	415	+10
Glaxo	14	£12¼	− 0¼
Lucas Inds.	14	383	+10
TI	14	394	−10
Shell Trans.	13	673	− 2
Jaguar	12	276	− 7
Lloyds Bank	11	388	−19
BAT Inds.	10	268	− 5
Royal Insce.	10	672	− 1
Barclays	9	367	− 5
Coats Patons	9	144	+ 9

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

[illegible]

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
British Aero	16	408	− 7
Cable and Wire	16	570	−15
Barratt Devs	15	106	+ 8
Ford (M.)	14	60	+ 6
Reed Intl.	14	873	−24
[illegible]			

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

[illegible]

FIXED INTEREST

[illegible]

EUROPEAN OPTIONS EXCHANGE

[illegible]

TOTAL VOLUME IN CONTRACTS: 22,202

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.
B.P. (*526)	500	40	58	68	6
	550	9	25	35	30
	600	1½	10	16	73
Cons. Gold (*444)	390	57	57	70	3
	420	25	40	47	12
	460	7	15	30	42
	500	2	9	17	80

[illegible]

September 25 Total Contracts 6,633 Calls 4,684 Puts 3,939
*Underlying security price.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (40)

[illegible]

NEW LOWS (83)

[illegible]

WORLD STOCK MARKETS

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

GERMANY

[illegible]

ITALY

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

AUSTRALIA

[illegible]

AUSTRALIA (continued)

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

CANADA

TORONTO

Closing prices September 25

Sales	Stock	High	Low	Close	Chng
[illegible]					
12974	CUtil A f	$17	16¾	16⅞	−⅛
1300	CUtil B	$17	17	17	
21850	Canfor	$8	7⅞	7¾	−⅛
1100	Canron A	$13	13	13	
800	Cara	$16	15⅞	15⅞	−⅛
100	Cara A f	$15⅝	15⅝	15⅝	−¼
14000	Carl OK	$14⅛	13⅝	13⅞	−⅜
4300	Carolin	380	345	345	−20
2700	Celanese	$9⅜	9⅛	9¼	−⅛
6200	CentFd A	$6¾	6⅝	6¾	−⅛
[illegible]					
8200	Indal	$16⅛	15¾	15¾	−¼
1850	Inland Gas	$22¾	22¼	22¼	−⅜
5350	Innopac	$13¾	13½	13½	−½
14550	Inter City	$15½	15⅛	15¼	−¼
3050	Intl Thom	$9	8⅞	8⅞	−⅛
4450	Intpr Pipe	$43⅜	43	43	−½
2500	Ipsco	$13½	13½	13½	
7500	Ivaco A f	$18⅝	18½	18⅝	−⅜
5100	Jannock	$15½	15¼	15¼	−½
[illegible]					
2646	Rio Algom	$23	22⅝	22⅝	−⅛
3500	Rogers A	$10	9½	10	−¼
5469	Rogers B f	$11¼	11⅛	11⅛	−½
2100	Roman	$10¼	10	10	−½
47053	Royal Bnk	$29⅞	29½	29¾	−⅛
[illegible]					
48085	NatBk Cda	$20⅞	20¼	20½	−⅜
33400	Power Corp	$17¼	17	17¼	
9500	Royal Bank	$29⅞	29½	29⅞	−⅛
101000	RoyTrstco	$19⅞	19¾	19¾	−⅛
600	SteinbrgA	$24½	24	24	−1

F—No voting rights or restricted voting rights.

MONTREAL

Closing prices September 25

[illegible]

Indices

NEW YORK-DOW JONES

	Sept 25*	Sept 24	Sept 23	Sept 20	Sept 19	Sept 18	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	1,312.85	1,321.12	1,316.31	1,297.94	1,308.78	1,300.49	1359.54 (19/7)	1184.96 (4/1)	1359.54 (19/7/85)	41.22 (2/7/32)
Transport	844.31	850.16	858.01	849.34	854.83	848.29	702.6 (17/7)	553.03 (4/1)	782.80 (17/7/85)	12.32 (8/7/32)
Utilities	151.77	152.60	153.52	152.88	153.72	153.31	168.91 (12/7)	146.54 (4/1)	168.91 (12/7/85)	10.5 (28/4/42)
Trading vol	–	97,870	104.79m	101.3m	100.3m	105.7m	–	–	–	–

	Sept 20	Sept 13	Aug 30	Year Ago (Approx)
Ind Div Yield %	4.74	4.71	4.61	4.86

STANDARD AND POORS

	Sept 25	Sept 24	Sept 23	Sept 20	Sept 19	Sept 18	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	201.53	203.74	205.52	202.80	204.38	204.38	215.83 (19/7)	128.24 (4/1)	215.83 (19/7/85)	3.62 (30/6/32)
Composite	182.60	182.82	184.30	182.83	183.35	183.39	195.65 (17/7)	163.68 (4/1)	195.65 (17/7/85)	4.40 (1/6/32)

	Sept 11	Sept 4	Aug 28	Year Ago (Approx)
Ind div yield %	3.79	3.75	3.72	3.97
Ind. P/E Ratio	12.41	11.81	11.88	10.69
Long Gov Bond Yield	10.73	10.39	10.39	12.30

N.Y.S.E ALL COMMON

Sept 25	Sept 24	Sept 23	Sept 20	1985 High	1985 Low
104.55	105.68	106.03	105.35	113.48 (17/7)	94.60 (4/1)

RISES AND FALLS

	Sept 24	Sept 23	Sept 20
Issues traded		1,983	1,964
Rises		1,055	711
Falls		479	775
Unchanged		449	478

New York Active Stocks

	Stocks Traded	3.00p.m. Price	Change on Day
Gen Foods	3,421,600	185	+3½
MFRS Han	2,041,700	35	+ ⅛
IBM	1,831,400	124⅝	−2⅞
Mobil	1,273,300	27⅝	− ⅛
Phil Elo	1,202,100	14½	− ¼
No St PWR	927,700	46⅝	unch
Exxon	861,100	49⅝	− ⅛
Cessna Air	825,400	29⅝	unch
Sperry CP	748,900	48¼	− ⅜
Aetna Ife	725,400	44	−1⅛

Advances 384 Declines 1,089

TORONTO	Sept 25	Sept 24	Sept 23	Sept 20	1985 High	1985 Low
Metals & Minls	1,896.98	1,934.8	1,958.9	1,919.8	2100.7 (13/2)	1839.3 (8/1)
Composite	2,615.89	2,656.2	2,688.1	2,672.1	2819.9 (30/8)	2348.5 (8/1)
MONTREAL Portfolio	127.42	129.43	131.35	130.99	139.33 (19/7)	117.80 (4/1)

* Indicates pre-close figure

	Sept 25	Sept 24	Sept 23	Sept 20	1985 High	1985 Low
AUSTRALIA						
All ord. (1/1/80)	981.3	980.8	959.7	945.6	963.3 (13/8)	715.3 (7/1)
Metals & Mins. (1/1/80)	510 8	516.0	512.6	504.2	583.8 (20/5)	382.5 (7/1)
AUSTRIA						
Credit Aktien (2/1/62)	99.33	98.21	99.43	99 85	105.73 (17/8)	85.21 (2/4)
BELGIUM						
Brussels SE (1/1/80)	2449.81	2487.86	2490.34	2500.40	2490.34 (23/9)	2090.7 (18/1)
DENMARK						
Copenhagen SE (3/1/83)	u	215.74	216.38	216.51	218.41 (9/9)	158.44 (8/1)
FRANCE						
CAC General (31/12/82)	213.5	216.2	216.2	218.0	233 1 (31/5)	180.8 (3/1)
Ind Tendance (28/12/84)	119.5	122.2	121.9	122.8	130 4 (31/5)	100.1 (3/1)
GERMANY						
FAZ Aktien (31/12/58)	528.17	517.06	522.0	526.08	529.17 (25/9)	382.38 (3/1)
Commerzbank (1/12/53)	1559.8	1523.7	1538.9	1562.8	1559.8 (25/9)	1111.8 (3/1)
HONG KONG						
Hang Seng Bank (31/7/64)	1547.68	1553.24	1536.45	1549.46	1711.51 (18/8)	1220.74 (2/1)
ITALY						
Banca Comm. Ital. (1972)	396.19	389.98	384.41	387.81	398.93 (18/9)	228.58 (2/1)
JAPAN**						
Nikkei-Dow (16/5/49)	12704.81	12755.6	c	12686.9	13040.10 (6/7)	11545.2 (5/1)
Tokyo SE New (4/1/68)	1018.34	1017.50	c	1007.48	1057.55 (10/7)	916.93 (4/1)
NETHERLANDS						
ANP-CBS General (1970)	218.2	218.8	218.8	221.5	223.0 (3/9)	185.6 (3/1)
ANP-CBS Indust (1970)	189.4	191.9	192.5	193.6	194.1 (3/9)	147.9 (3/1)
NORWAY						
Oslo SE (4/1/83)	369.77	368.23	367.75	336.72	368.77 (25/9)	288.18 (2/1)
SINGAPORE						
Straits Times (1966)	782.60	782.30	785.47	778.98	852.65 (7/3)	717.95 (15/7)
SOUTH AFRICA						
JSE Gold (28/9/78)	–	1111.2	1099.0	1086.5	1140.8 (15/4)	836.1 (11/2)
JSE Indust (28/9/78)	–	960.4	959.0	953.8	1036.8 (17/7)	787.1 (7/3)
SPAIN						
Madrid SE (28/12/84)	107.80	108.26	108.40	108 89	117.41 (4/2)	101.48 (2/1)
SWEDEN						
Jacobson & P (1/1/58)	1392.57	1387.81	1392.55	1389.52	1486.98 (11/2)	1285.32 (9/7)
SWITZERLAND						
Swiss Bank Cpn. (31/12/58)	483.2	485.1	486.9	494 1	499.3 (11/9)	388.7 (3/1)
WORLD						
Capital Intl. (1/1/70)	–	218.3	218.9	213.5	224.3 (17/7)	184.8 (4/1)

* Indicates pre-close figure ** Saturday September 7 Japan Nikkei Dow 12,479.08 TSE 1,017.58 Base values of all indices are 100 except Australia All Ordinary and Metals – 500 NYSE All Common – 50 Standard and Poors – 10† and Toronto Composite and Metals – 1000 Toronto indices based 1975 and Montreal Portfolio 4/1/83 † Excluding bonds ‡ 400 industrials § 400 industrials plus 40 Utilities Financials and 20 Transports c Closed u. Unavailable

LONDON Chief price changes
(in pence unless otherwise indicated)

RISES		
Allied Lyons	283	+16
Bespak	175	+35
Bio-Isolates	41	+ 8
Brit Aero	418	+10
Bryson Oil	90	+10
Gee (Cecil)	117	+ 7
RMC	398	+12
Robers Adlard	147	+22
Smith Bros.	145	+ 7
Somportex	110	+ 8
Steward W'son	887	+19

FALLS		
Allied Coll	130	− 8
Argyll	328	− 9
Assoc Book	238	−22
Belgrave	85	− 5
Booker McC	268	−12
Central Norse	408	−15
Dowty	191	− 7
Finlay Pack	52	−14
Logica	150	− 9
Pilkington	263	− 7
Saatchi	685	−20
Tilbury	116	− 6
Vickers	278	− 5
Vosper	160	− 7
Wold	72	−24

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued from Page 31

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
24⅝	16	AAR	.56	2.6	14	63	21⅝	21¼	21¼	−⅜
17⅞	9¾	AGS			13	270	16⅛	15⅞	15⅞	−¼
16½	9⅝	AMCA				17	10⅜	10⅛	10⅛	−¼
21½	13	AMF	.25j		98	818	13⅞	13¾	13¾	
50¾	26¼	AMR			7	3054	40⅞	40⅛	40¾	+⅝
25⅞	23	ANR pf	2.67	11.		15	23½	23⅜	23⅜	
14¼	7⅝	APL				1	9⅝	9⅝	9⅝	−⅛
61⅛	34¾	ASA	2	5.2		113	38⅝	37¾	38¼	+¼
27	11⅝	AVX	.32	2.8	17	232	12⅛	d11½	11⅝	−⅜
28⅝	19¼	AZP	2.72	12	7	1127	23⅜	22⅝	22¾	−½
60	36¾	AbtLab	1.40	2.5	16	948	56½	56	56½	+¼
25⅞	20	AccoWd	.50	2.5	15	75	20⅞	20	20	−1
24¾	12½	AcmeC	.40	3.0		222	13⅝	13⅜	13⅜	−⅛
10½	7⅜	AcmeE	.32b	4.2	11	7	7⅝	7⅝	7⅝	
19	15½	AdaEx	1.92e	11.		74	17⅜	17¼	17¼	−¼
20	13½	AdmMl	.32	1.9	7	132	17	16⅞	17	+⅛
17¾	8⅝	AdvSys	.53t	3.8	20	314	14¼	13⅝	14	+⅝
37⅜	22⅛	AMD			16	2024	26⅜	25⅜	26¼	
12⅛	6⅞	Advest	.12	1.4	20	74	9	8⅞	8⅞	−⅛
15⅞	9½	Aerflex			11	101	12¾	12½	12¾	−⅛
49⅝	32⅝	AetnLf	2.64	6.0	15	8564	45	43⅝	44¼	−1
57½	52⅝	AetL pf	5.79e	10.		81	55⅝	55⅜	55⅜	+⅛
37⅜	20½	Ahmns	1.20	3.9	8	64	31	30½	30½	−¼
3⅝	2½	Aileen				180	2¾	2⅝	2⅝	−⅛
57	42	AirPrd	1.48	2.8	12	453	53¼	52¾	52¾	−½
24⅝	16	AirbFrt	.60	2.7	13	49	22½	22½	22½	
2⅛	1⅛	AlMoa	s.10e	5.3		393	1⅞	1¾	1⅞	
29¼	23⅝	AlaP pf	2.74e	10.		192	27½	27	27½	−⅜
[illegible]										

Continued from Page 31

NYSE COMPOSITE CLOSING PRICES

Continued from Page 30

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
16 5/8	12 7/8	PhilaEl 2.20		15.	5	12880	14 7/8	14 1/2	14 1/2	− 1/4
35	26 1/2	PhilE pf4.30		14.		z20	31 1/2	31 1/2	31 1/2	− 1/2
69	53	PhilE pf8.75		14.		z110	65	64	64 1/4	+ 3/4
11 1/2	9 1/4	PhilE pf1.41		14.		84	10 3/8	10	10 1/4	+ 3/8
10 7/8	8	PhilE pf1.33		13.		39	10	9 3/4	9 7/8	
61	46 1/2	PhilE pf7.85		14.		z100	57	57	57	− 1
10 3/8	7 7/8	PhilE pf1.28		13.		46	9 3/4	9 1/4	9 1/2	
126	103	PhilE pf 17.13		14.		z260	120 1/2	119	120 1/2	
118	91 1/2	PhilE pf15.25		14.		z130	109 1/2	109	109	− 2
61	47 1/4	PhilE pf7.80		13.		z50	59	58	59	+ 1 1/2
60	46 1/2	PhilE pf7.75		13.		z390	58	57	58	+ 2
23 1/4	15 3/4	PhilSub 1.32		6.2	13	12	21 3/4	21 1/8	21 1/4	
95 1/8	73 5/8	PhilMr	4	5.3	9	3281	77 1/4	74 1/2	75 7/8	− 1
26 3/4	13 3/4	PhilpIn	.60	2.5	19	49	23 3/4	23 1/2	23 5/8	− 3/8
16 3/4	11 1/4	PhilPt s	1	8.7	7	6933	11 7/8	11 1/2	11 1/2	− 1/8
24 3/4	22 3/4	PhlPt pf1.04e		4.2		386	24 1/2	24 3/8	24 1/2	+ 1/8
28 1/2	20 3/8	PhilVH	.40	1.6	12	13	25 1/4	25 1/4	25 1/4	− 1/8
35 3/8	23 3/4	PiedA s	.20	.9	9	276	30 1/2	30 1/4	30 3/8	− 1/8
34	25 3/4	PieNG	2.32	7.4	11	117	31 7/8	31 1/2	31 1/2	− 1/2
25 1/4	14 5/8	Pier 1			15	121	22 7/8	22 1/2	22 1/2	− 3/8
63 1/2	38 1/8	Pilsbry 1.72		2.9	13	3298	61 1/2	58 3/4	58 3/4	+ 1 1/4
34	22 3/8	Pioneer 1.24		5.6	5	372	22 1/2	d22	22 1/4	− 1/8
45 1/2	29 7/8	PitnyB 1.20		3.2	10	664	38	37 5/8	38	+ 3/8
14 1/2	9 5/8	Pittstn				997	13 3/4	13 1/4	13 1/4	− 1/2
21	17	PlanPt n				31	18 7/8	18	19	− 3/4
17 3/8	8 5/8	PlanRs .20		1.3	17	90	16 3/8	16	16	− 1/4
11 7/8	7	Plantrn.16b		1.7	11	6	9 5/8	9 5/8	9 5/8	− 1/8
[illegible]										
17	10 1/8	Roylnt s			18	304	13 1/2	13 1/4	13 1/4	− 1/4
28 7/8	18 3/4	Rubmds				167	26 7/8	26 3/4	26 7/8	
26	14 3/4	RussBr			12	40	18 5/8	18 1/8	18 1/8	− 3/8
20 3/4	15 3/8	RusTog .76		4.0	10	x31	19 1/4	19	19	− 1/8
31 1/4	19	RyanH	1	3.9	10	8	25 7/8	25 3/4	25 3/4	− 1/4
30 7/8	22	Ryder s	.60	2.2	11	703	28 7/8	27 5/8	27 3/4	− 1/2
29	17	Ryland	.66	2.9	14	43	22 7/8	22 1/2	22 1/2	− 1/8
20 1/8	8 1/2	Rymer			4	22	15 1/2	15 1/4	15 1/2	− 1/4
13 3/8	11 3/8	Rymer pf1.17		10.		22	11 3/4	11 5/8	11 3/4	
S S S										
73 1/2	37 1/2	SCM	2	2.7	17	184	73	72 7/8	73	+ 1/8
12 1/2	8 5/8	SL Ind	.22	1.9	10	18	11 5/8	11 5/8	11 5/8	− 1/8
[illegible]										
53 3/4	28	TootRol .48b		1.0	13	11	47 3/4	46 3/4	46 3/4	− 5/8
26 3/8	13 3/4	Trchm s			11	378	20 7/8	19 7/8	20	− 5/8
17 1/8	10 1/4	ToroCo .40		2.5	10	76	16 3/8	16 1/4	16 1/4	− 1/8
5	1	Tosco				548	3 5/8	3 1/2	3 1/2	− 1/8
17 1/4	7 7/8	Towle				45	8	7 7/8	8	+ 1/8
10 3/4	5 1/2	Towle pf .44		8.4	3	5 1/4	d	5 1/4	5 1/4	− 1/4
41 1/4	25 1/4	ToyRU s			24	3400	33 1/2	32	32 1/4	− 1 1/4
28 1/4	17 1/2	Tracr s	.32	1.7	12	475	18 5/8	18 3/4	18 3/4	− 7/8
23	8 7/8	TWA				1184	22 5/8	22 3/8	22 3/8	− 1/8
16	12 3/4	TWA pf2.25		15.		88	15 3/8	15 1/8	15 1/4	− 1/8
[illegible]										
X Y Z										
55 1/2	35 1/4	Xerox	3	6.0	14	1534	51 3/4	49 3/4	50 1/4	− 1 3/8
55 1/2	46 1/2	Xerox pf5.45		10.		44	54 1/2	54 1/2	54 1/2	+ 1/8
30 1/4	24 3/8	ZaleCp 1.32		4.7	10	32	28	27 3/4	28	
19	7 1/4	Zapata	.12	1.6	53	380	7 1/2	7 1/4	7 3/8	
57 5/8	31 1/8	Zayre s	.48	1.0	15	1588	49 7/8	48 3/4	48 3/4	− 1 1/4
27	18 1/4	ZenithE			10	432	16 7/8	16 1/2	16 1/2	− 3/8
21 7/8	15 1/4	Zero s	.32	1.6	17	49	19 7/8	18 7/8	19 7/8	+ 3/4
37 3/4	22 3/4	Zurnln 1.32		3.7	12	46	35 3/8	35	35 3/8	− 1/8

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begins with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE CLOSING PRICES

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
[illegible]							

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

Continued on Page 29

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET

Drifting along under the clouds

A FURTHER round of liquidity help to the U.S. credit markets by the Federal Reserve reinforced Wall Street's belief that the board may be about to ease its credit policies to help lower the dollar's foreign exchange rating, *writes Terry Byland in New York.*

A firm opening in the stock market was quickly reversed and prices fell steadily to show a fall of nine Dow points at mid-session.

A brief rally then proved unsuccessful and the Dow Jones industrial average ended a net 9.07 points down at 1312.05. Turnover remained brisk at 93m shares, and stocks were lower across the broad range of the market.

The Fed's intervention, for the third successive session, included action on its own account, and was seen as heightening prospects for a cut in the 7½ per cent discount rate. Bond prices rose smartly, although retail demand slackened after mid-session.

Help was given in two tranches – first by overnight system repurchases and then by the purchase of 500m bills on the Fed's customer accounts. Tuesday's $3bn customer repurchases represented the highest daily injection from the Fed for nearly two years.

Short-term rates eased again. The market's key long bond is now about half a point higher than before the announcement of the plan by the U.S. and its trade partners to reduce the dollar exchange rate.

General Foods' stock made a delayed start, as traders faced an avalanche of orders. As soon as trading started again, General Foods jumped $5 to $106⅛, and nearly 3m shares changed hands before lunchtime.

Speculation was heightened when Philip Morris raised a substantial loan which seemed to point to an impending offer for General Foods. At $75⅞, Philip Morris stock fell $1.

There was another spurt of heavy block trading in bank stocks. Two blocks of 1m shares each in Manufacturers Hanover left the stock $⅝ up at $35. About 14 per cent of the bank's equity has been traded this week in several massive block trades.

There was weakness in the insurance sector, where analysts were computing the potential insurance costs of the Mexican earthquake and of Hurricane Gloria, which is now heading for the U.S. east coast.

Among those insurers which have admitted expecting claims on the Mexican calamity, *Aetna Life & Casualty fell $1 to $44⅞, Travellers Corp. fell $1⅛ to $40, Continental Corp. fell $1⅛ to $38⅞,* and General Re $2⅛ to $79⅞.

Technology issues again undermined the market. IBM, disclosing the expected reshaping of the sales effort, lost $2⅞ to $124 on moderate but persistent selling. Also on the slide again were Honeywell, down $1⅛ at $61⅛, and Digital Equipment, $1⅛ off at $107⅞.

Commodore International, announcing a $124m loss on the final quarter, ended unchanged at $9. Locked in dispute with Mr Steven Jobs, its founder and former boss, Apple Computer eased $⅝ to $15⅞ in nervous trading.

With sales gains still strong in mid-September but beginning to slow down, the Detroit carmakers were a shade easier. General Motors shed $⅝ to $66⅝, and Ford shed $⅛ to $43⅞.

Profit takers moved into the pharmaceuticals, bringing falls of $1⅛ to $108⅛ in Merck, of $⅛ to $48⅛ in Pfizer and of $2⅛ to $55 in Bristol-Myers.

Chemicals, however, held steady with minor losses of $⅛ to $45 in Monsanto and of $1 to $56⅝ in Du Pont. There was support for Union Carbide, up $⅛ at $54.

Stock in Richardson Vicks jumped $1⅞ to $47⅞ after the Richardson family disclosed that it has increased its stake, a move seen as putting pressure on Unilever for better terms.

In the credit markets, federal funds traded erratically after opening at 8 per cent. Analaysts were cautious about interpreting the Fed's moves, pointing out that the Yom Kippur holiday coincides with the usual weekly bank settlement operation.

Three-month Treasury-Bills held steady but other money market rates eased again.

LONDON

Unsettling influence of firm pound

WORRIES about the firmer pound's impact on major exporters' profitability depressed London yesterday for the fourth consecutive day.

The market was not helped by fading hopes of lower interest rates and the Jewish Day of Atonement (Yom Kippur) holiday kept some investors away.

The FT index ended the day 2.1 down at 980.6, making a decline of 27.2 during the past four days.

One brighter note was a sharp rise in Allied Lyons by 16p to 283p on news that Imperial Group is considering joining the Elders IXL consortium bid for Allied. There were few features among secondary equities, however.

Chief price changes, Page 29; Details, Page 28; Share information service, Page 26–27.

CANADA

CONCERN over the effects on Canada of plans to curb the U.S. dollar affected Toronto, which fell broadly.

Golds, which sparked a rally earlier this week, declined for the second day running. Campbell Red Lake lost C$⅝ to C$30⅞, Pegasus was C$¼ lower at C$11⅞ and Dome Mines was also down C$¼ at C$12⅛.

In Montreal, banks and utilities were generally lower while industrials showed some resilience.

SOUTH AFRICA

NERVOUSNESS over the gold price affected Johannesburg and golds – some of which have risen up to 50 per cent in the past six weeks – closed generally lower in thin trading.

However, Randfontein Estates continued its upward trend rising R2 to R230 and Blyvooruitzicht edged up 25 cents to R15.35. Southvaal lost R1 to R94.

EUROPE

Spectre of dollar fails to intimidate

THE SPECTRE of a sharply lower dollar failed to intimidate the European bourses yesterday as some centres repaired the worst damage incurred on Monday and Tuesday following the attempt by leading finance ministers to curb the U.S. currency's rise.

Frankfurt set the pace with a stunning jump to a record high with the Commerzbank index gaining 36.1 to a peak 1,559.8. The mood of the session was that the post-Group of Five shake-out had been overdone and support centred on banks and carmakers again with foreign buyers very much in evidence.

BHF surged DM 29 to DM 362 amid the euphoria and Tuesday's hint of a higher dividend while Deutsche Bank scored an equally impressive DM 22.50 surge to DM 627.50.

Among the leading carmakers, BMW rallied DM 11 to DM 485 although Porsche, which slumped DM 75 on Monday, continued to lose ground with a further DM 5 fall to DM 1,342. Daimler, however, managed to recoup DM 21 of its recent setback to close at DM 973.

The leading department store groups, which resisted the dollar fears earlier in the week, extended their gains, with Horten DM 8 ahead at DM 219 and Kaufhof DM 4 up at DM 324.

Veba made good progress on bearish interest rate trends as the energy, oil and chemical group sprinted DM 10.70 ahead to DM 252.70 and RWE settled DM 5.20 stronger at DM 208.

Other features of the session included a DM 5.50 gain to DM 262.50 for Preussag and a hefty DM 75 drop for Munich Re at DM 1,855. Fellow insurer Allianz added DM 45 to DM 1,830.

Electrical blue chip Siemens settled unchanged at DM 600 despite early strength.

A tentative view that the dollar's lower level might hold in the medium term re-ignited the bond sector and prices firmed by up to 25 basis points. The Bundesbank continued to feed demand cautiously with sales of DM 33.7m of paper after Tuesday's sales of DM 34.1m.

Institutional and mutual funds buying buoyed **Milan** in active trading that reversed *the losses sustained in the two* previous sessions.

Ciga rose L1,015 to L11,575 on rumours of a public tender for shares of the hotel group.

Leading industrial issue Fiat advanced L80 to L4,585 and Olivetti firmed L40 to L7,390. Oil industry services group Saipem rose L350 to L6,550 on reports of a possible major capital increase for the group.

Brussels lost more ground although isolated gains featured in otherwise moderate trading. UCB suffered one of the sharpest falls of the session with its BFr 330 to BFr 5,100 while Solvay lost BFr 190 to BFr 5,250. Wagons Lits, the travel and tourism group, persisted on its path to record levels with a BFr 30 gain to BFr 3,885 while Gevaert also managed to move against the trend with a BFr 30 advance to BFr 4,230. Specialist construction group Cimenteries CBR put on a further BFr 20 to BFr 2,540.

Internationals remained out of favour in a cautious **Amsterdam** that turned lower for the third consecutive session. Unilever suffered a Fl 4 setback at Fl 234 although Royal Dutch proved less volatile with its Fl 1.80 drop to Fl 187.10.

Bonds were sluggish with scattered gains of up to 20 basis points and isolated declines of 25 basis points.

Exchange rate uncertainty overshadowed **Zurich** equities. Bonds finished little changed.

Stockholm made solid progress on heavy institutional buying in SKF, which put on SKr 7 to SKr 240 and Aga, up SKr 2 at SKr 130. Strong foreign, notably U.S., buying was evident in both issues.

Madrid fell in thin trading and **Paris** retreated under the influence of the dollar and the political uncertainties brought about by the Greenpeace affair.

AUSTRALIA

SPECULATION of two takeover bids helped brighten Sydney which closed steady after a day of slightly lower prices with the All Ordinaries index ending 0.7 up at 961.3.

The bid rumours followed active trading in James Hardie, which jumped 40 cents to A$3.70, and Kern Corp, which gained 10 cents to A$2.50.

BHP, after surrendering all its gains over the past week, recovered to close 8 cents down at A$7.38.

Elsewhere, Herald and Weekly Times firmed 15 cents to A$5, Fairfax was up 20 cents to A$9.30 and Lend Lease gained 6 cents to A$6.36. Hooker shed 10 cents to A$2.10 as did News Corp at A$8.90.

HONG KONG

DIMINISHING prospects of a rise in interest rates *helped give a slight lift* to an otherwise mixed Hong Kong.

As the Hong Kong dollar strengthened, fund managers started to buy selectively, although there was not much interest from small investors. The Hang Seng index finished 5.56 down at 1,547.69.

Among leaders, Swire Pacific was up 70 cents to HK$24.70, Hutchinson Whampoa 10 cents to HK$26 and China Light 10 cents HK$15.20.

Banks were under pressure on concern over their exposure to the Oriental Overseas shipping group. HK Bank eased 5 cents to HK$7.10 and Hang Seng Bank 75 cents to HK$41.

SINGAPORE

ACTIVE trading fuelled by speculative buying helped Singapore close on a mixed note after earlier profit-taking had caused prices to fall.

The Straits Times industrial index closed 0.30 higher at 782.60.

Federal Cable, the most active with 1.5m shares traded, rose 11 cents to S$1.36 while MBF Holdings soared 47 cents to S$3.40 and Fraser and Neave put on 15 cents to S$6.05.

Among losers were Cold Storage which lost 4 cents to S$3.08, Hong Leong Finance which ended 9 cents down at S$2.50 and Malayan Banking which lost 5 cents to S$5.75.

Hotels and properties were slightly higher while plantations and minings were marginally down.

TOKYO

Selective demand on rate hopes

BLUE CHIPS and biotechnology-related issues eased in light Tokyo trading yesterday, pulling the broader market back after four sessions of gains, *writes Shigeo Nishiwaki of Jiji Press.*

Amid growing hopes of lower interest rates large capital issues, such as Mitsubishi Heavy Industries, and utilities were traded actively. Large construction groups such as Kajima Corp also attracted buyers.

The Nikkei-Dow market average lost 50.79 to finish at 12,704.81.

Volume swelled to 568m shares from the previous day's 476m. Losses outpaced gains by 475 to 350, with 130 issues unchanged.

Many institutional buyers are counting on official discount rate cuts in Japan and the U.S. following the Group of Five agreement to reduce the value of the U.S. dollar and heavy dollar selling by the Bank of Japan in Tokyo on Tuesday.

Individual investors selectively bought domestic demand-oriented issues such as constructions in the hope of stronger government measures to boost demand.

Yesterday's heavy trading in large-capital and domestic issues partly reflected investor hopes of making quick profits. Securities houses are expected to promote these stocks for the new business year beginning in October.

Among large-capital issues, Tokyo Gas and Tokyo Electric Power were buoyed by prospects of lower interest rates. Trading in these shares was temporarily suspended by a rush of buy orders.

Tokyo Gas, third most active with 30m shares traded, rose Y26 to a new record of Y300. Tokyo Electric Power, fifth most active with 11m shares, hit a peak of Y2490, up Y130.

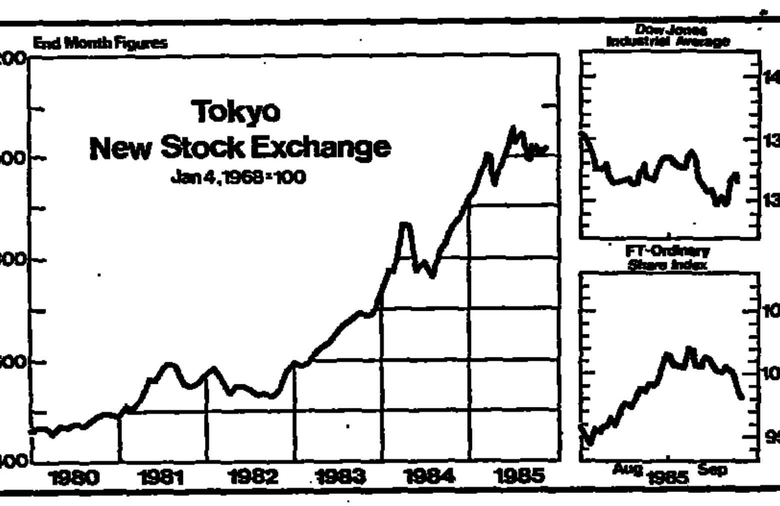
Large construction groups were the most popular domestic stocks. Kajima Corp gained Y39 to Y583 and Taisei Corp Y24 to Y420. Housing-related issues also performed well, with Sekisui House firming Y37 to Y968 and Shokusan Jutaku Y24 to Y608.

Blue chips lacked buying support and eased almost across the board. Matsushita Electric Industrial fell Y20 to Y1,170. Biotechnology stocks also lost ground.

The bond market surged on aggressive buying by banks and securities houses. The yield on the benchmark 6.8 per cent government bond due in December 1994 plunged to another record low of 5.730 per cent from Tuesday's 5.785 per cent. Yields on bonds with about eight years or more remaining to maturity also fell to about 5.8 per cent.

Trust banks, encouraged by the Ministry of Finance to restrain foreign bond purchases, sharply increased their acquisition of long-term government bonds. Their net purchases in the past three trading days were estimated at between Y300bn and Y400bn by one large securities firm.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Sept 25	Previous	Year ago
DJ Industrials	1,312.05	1,321.12	1,207.16
DJ Transport	644.31	650.16	512.78
DJ Utilities	151.77	152.60	135.93
S&P Composite	180.66	182.62	165.62
LONDON			
FT Ord	980.6	982.7	869.0
FT-SE 100	1,275.2	1,280.1	1,125.9
FT-A All-share	619.89	623.82	532.76
FT-A 500	680.17	684.24	580.39
FT Gold mines	306.3	310.9	557.3
FT-A Long gilt	*10.27*	*10.27*	10.40
TOKYO			
Nikkei-Dow	12,704.81	12,755.6	10,604.8
Tokyo SE	1,018.30	1,017.50	819.48
AUSTRALIA			
All Ord.	961.3	960.8	728.4
Metals & Mins.	510.9	516.0	440.3
AUSTRIA			
Credit Aktien	99.33	99.21	54.25
BELGIUM			
Belgian SE	2,449.61	2,467.86	–
CANADA			
Toronto			
Metals & Minls	1,896.90	1,934.0	1,948.0
Composite	2,615.80	2,656.2	2,366.5
Montreal			
Portfolio	127.42	129.43	116.91
DENMARK			
SE	n/a	215.74	167.65
FRANCE			
CAC Gen	213.5	216.2	178.3
Ind. Tendance	119.5	122.2	116.5
WEST GERMANY			
FAZ-Aktien	529.17	517.05	361.82
Commerzbank	1,559.8	1,523.7	1,051.7
HONG KONG			
Hang Seng	1,547.68	1,553.24	1,010.23
ITALY			
Banca Comm.	396.19	389.98	214.34
NETHERLANDS			
ANP-CBS Gen	216.2	218.8	174.1
ANP-CBS Ind	189.4	191.9	135.3
NORWAY			
Oslo SE	368.77	368.23	254.47
SINGAPORE			
Straits Times	782.6	782.3	893.89
SOUTH AFRICA			
JSE Golds	–	1,111.2	996.7
JSE Industrials	–	960.4	856.2
SPAIN			
Madrid SE	107.9	108.26	146.97
SWEDEN			
J & P	1,392.57	1,387.81	1,416.33
SWITZERLAND			
Swiss Bank Ind	483.2	485.1	373.7
WORLD	Sept 24	Prev	Year ago
Capital Int'l	218.3	218.9	182.8

GOLD (per ounce)

	Sept 25	Prev
London	$326.75	$326.50
Zürich	$328.50	$327.55
Paris (fixing)	$330.89	$331.16
Luxembourg	$329.05	$328.75
New York (Dec)	$334.30	$334.60

* *Latest available figure*

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Sept 25	Previous	Sept 25	Previous
$	–	–	1.44	1.432
DM	2.68	2.714	3.86	3.885
Yen	226.9	229.7	326.75	329.0
FFr	8.2	8.275	11.805	11.8475
SwFr	2.2065	2.2295	3.1775	3.18
Guilder	3.049	3.0485	4.39	4.36
Lira	1,824.5	1,831.5	2,627.25	2,620.0
BFr	54.35	54.85	78.25	78.6
C$	1.3615	1.36125	1.944	1.944

INTEREST RATES

Euro-currencies	Sept 25	Prev
(3-month offered rate)		
£	11 9/16	11 7/16
SwFr	4 5/16	4 5/16
DM	4½	4½
FFr	11⅛	10½
FT London Interbank fixing (offered rate)		
3-month U.S.$	8⅛	8 3/16
6-month U.S.$	8 5/16	8⅜
U.S. Fed Funds	7⅞	7¾
U.S. 3-month CDs	7.75	7.80
U.S. 3-month T-bills	6.84	6.85

U.S BONDS

Treasury		Sept 25* Price	Sept 25* Yield	Prev Price	Prev Yield
9	1987	100 11/32	8.722	100 10/32	8.83
10⅞	1992	101 19/32	10.05	101 9/32	10.13
10½	1995	101 18/32	10.251	101 8/32	10.30
10⅞	2015	100 22/32	10.546	100 19/32	10.58

Corporate	Sep 25* Price	Sep 25* Yield	Prev Price	Prev Yield
AT & T				
10⅜ June 1990	100⅜	10.25	100⅜	10.25
3⅞ July 1990	81½	8.70	81½	8.70
8⅞ May 2000	83¼	11.08	83¼	11.08
Xerox				
10⅞ Mar 1993	*96⅞*	*10.85*	*96⅞*	*10.85*
Diamond Shamrock				
10⅞ May 1993	96⅞	11.25	96⅞	11.25
Federated Dept Stores				
10⅞ May 2013	93½	11.40	93½	11.40
Abbot Lab				
11.80 Feb 2013	102½	11.50	102½	11.50
Alcoa				
12¼ Dec 2012	100	12.25	100	12.25

Source: Salomon Bros

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
Dec	75–22	75–24	75–07	75–13
U.S. Treasury Bills (IMM)				
$1m points of 100%				
Dec	93.02	93.04	92.92	92.96
Certificates of Deposit (IMM)				
$1m points of 100%				
Dec	92.20	92.20	92.09	92.13
LONDON				
Three-month Eurodollar				
$1m points of 100%				
Dec	91.81	91.82	91.77	91.69
20-year Notional Gilt				
£50,000 32nds of 100%				
Dec	112–26	112–26	112–19	112–20

COMMODITIES

(London)	Sept 25	Prev
Silver (spot fixing)	430.55p	430.00p
Copper (cash)	£954.50	£956.50
Coffee (Sept)	£1,556.50	£1,537.00
Oil (spot Arabian Light)	$27.80	$27.45

NORWAY

Ceiling move may bring bulls down from the heavens

THIS WEEK'S Norwegian Government decision to abolish the ceiling on bank interest rates could finally turn the tide in the three-year-old bull market enjoyed by the stock exchange, *writes Fay Gjester in Oslo.*

However, in spite of the rates decision, the bourse reached another all-time high yesterday with the Stock Exchange index closing 0.54 up on the previous day's record at 368.77.

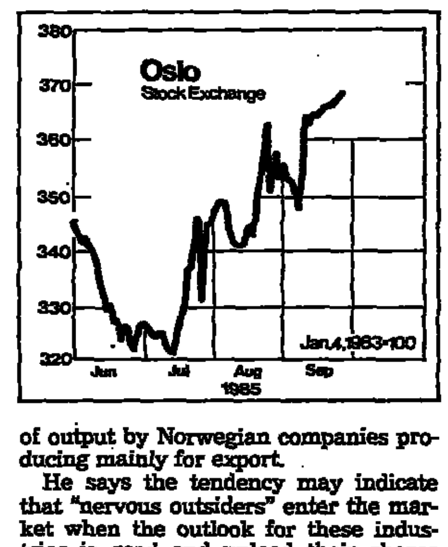
Among yesterday's gains was Borregaard which was back at its Monday record of NKr 446 after adding NKr 1. Norsk Data was NKr 3.50 up at NKr 391, while Storebrand, *which earlier this* week surged to a new peak, was NKr 5 down at NKr 290.

Banks advanced again with Bergen NKr 3.50 up at NKr 155 and Christiania up NKr 5 at NKr 155.

The increased cost of borrowing which is bound to follow the removal of official interest "guidelines" will hit the numerous companies and individuals who have been borrowing to finance their share purchases. It will also push up corporate finance costs generally – at a time when many key Norwegian companies are facing the prospect of lower earnings because of the fall in the U.S. dollar and weaker world demand for important Norwegian exports such as aluminium and ferro alloys as well as oil and gas.

Despite these developments, share prices may keep moving upwards – or suffer only a temporary setback. This will justify the optimists' views that the boom will continue, provided the coalition retains power. Foreign analysts forsee still further price rises, arguing that even at today's levels many Norwegian shares are undervalued.

But several Norwegian observers are more pessimistic. Among them is Mr Harald Andreassen, of the Norwegian Bankers' Association. He points to an apparent correlation, over the longer term, between share prices (adjusted for inflation) and the value, in fixed prices,



of output by Norwegian companies producing mainly for export.

He says the tendency may indicate that "nervous outsiders" enter the market when the outlook for these industries is good and unload their shares when a recession sets in.

The high liquidity of many Norwegian industrial groups – a result of good profits earned during the economic upswing of the past couple of years – has contributed to the stock exchange boom because many companies have invested their liquid funds in one another's shares rather than in plant.

Foreign investors, attracted by the rise in share values, have entered the market in growing numbers, thus reinforcing the upward trend.

Mr Andreassen still believes there is a connection between the fortunes of the country's main export industries and prices on the Oslo Stock Exchange.

At this stage, he said, "I would not be willing to bet that the (industrial) upswing, now two-and-a-half years old, will continue up into the heavens. The first signs of a fall in output by our export-oriented industrial concerns became apparent towards the end of 1984.

"My bet would therefore be that prices will fall. But I said the same thing half a year ago."

JOBS COLUMN

What executives' pay buys around the world

BY MICHAEL DIXON

Country	Level 1 = head of function in subsidiary 1985 £	(1984) £	Level 2 = head of function in division 1985 £	(1984) £	Level 3 = head of function in group 1985 £	(1984) £	% rise from level 1 to level 3 1985 £	(1984) £
Switzerland	25,047	(22,100)	32,088	(28,180)	41,119	(36,850)	64.2	(66.7)
United States	24,152	(22,230)	31,203	(28,140)	40,122	(35,630)	66.1	(60.3)
West Germany	23,262	(20,170)	30,587	(26,380)	40,182	(36,430)	72.7	(80.6)
France	21,722	(19,120)	29,571	(25,870)	37,672	(32,540)	73.4	(70.2)
Canada	23,465	(20,860)	29,314	(26,250)	—	(32,550)	—	(56.0)
Italy	19,005	(17,020)	26,372	(22,970)	32,944	(30,880)	73.3	(81.4)
Spain	18,287	(17,130)	24,438	(23,360)	30,432	(29,800)	66.4	(74.0)
South Africa	19,029	(17,610)	23,629	(22,270)	30,914	(30,120)	62.5	(71.0)
Belgium	17,507	(15,710)	21,921	(19,560)	28,505	(23,660)	62.8	(50.6)
Australia	16,780	(15,910)	20,345	(19,380)	25,153	(24,060)	49.9	(51.2)
Netherlands	16,473	(14,950)	20,276	(18,450)	25,388	(23,370)	54.1	(56.3)
Greece	14,341	(12,150)	18,276	(16,230)	—	—	—	—
United Kingdom	13,608	(12,560)	17,774	(16,160)	22,913	(20,930)	68.4	(66.6)
Norway	12,482	—	15,413	—	—	—	—	—
Finland	11,443	—	14,388	—	—	—	—	—
Ireland	12,388	(10,410)	14,353	(12,210)	18,368	(14,750)	48.3	(41.7)
Denmark	9,821	(12,360)	12,408	(15,830)	15,740	(20,470)	60.3	(65.6)
Sweden	10,426	(11,440)	12,025	(13,400)	13,699	(16,130)	31.4	(41.0)

ALONGSIDE appear the latest rough indicators of how much managers doing similar jobs in different countries can buy with the money they take home from work.

The figures come from the annual surveys made by Employment Conditions Abroad. It is a trade association which provides the organisations subscribing to it with details on the levels of pay and perks around the world.

In all ECA covers about 75 countries, but my table is confined to 18. Anyone wishing for extra information should contact Sue Winterbottom at Anchor House, 15 Britten Street, London, SW3 3TY; telephone 01-351 7151, telex 299751 Eureca G.

The table shows the buying power, expressed in sterling at exchange rates prevailing on September 2, of managers at three different levels of seniority.

The lowest is represented by the left-hand pair of columns of figures headed "Level 1." This typifies the head of a managerial function such as marketing in a single subsidiary company of a biggish group. Level 2 refers to the head of marketing or whatever covering a division of several subsidiary companies. The top rank, level 3, signifies the chief of the function throughout an entire group.

To arrive at the purchasing-power figures, ECA first takes the basic salary plus cash bonuses which are fixed—as distinct from varying with profits and so on—typically paid to managers at each of the levels in the different countries. From the resulting gross sum are deducted the standard tax, social security payments and the like prevailing in the place concerned in August. In every case the manager is assumed to be a native of the country, married with two children and receiving the standard family allowances.

That gives the net pay figure. What it will buy is then worked out with reference to a range of surveys of international living costs for executives. But no account is taken of the relative costs of housing, gas and electricity. The respective buying powers are then translated into terms of UK prices.

As an illustration: the level 2 manager in Switzerland has a gross of £58,280 and a net of £38,826. But since Swiss living costs are higher than those in Britain, the purchasing power works out at £32,088. The gross figures for the UK executive at each of the three levels are: 1—£18,690, 2—£25,730, and 3—£35,800; the nets are of course the same as the buying-power

I am sorry that there is no room to give the other grosses and nets. I would also have preferred to rank the countries on the level 3 rather than the level 2 manager, but was stymied because ECA has no data for the top level in four of the countries.

The same lack affects the final column of figures on the far right. It shows the percentage by which the highest level executive was better off than the lowest. So it may be viewed as a crude measure of the incentive for the third-rank person to strive for promotion to the top.

Overall the table indicates that the managers have improved their standard of living this last year in 14 of the 16 countries for which we have comparative information. These include South Africa. Despite the plummeting of the Rand, there had been no consequent inflation of executive living costs at the time of ECA's survey.

Danish and Swedish managers, alas, seem to have got poorer.

Finance chief

A GROUP financial controller is wanted by recruiter Peter Lewis of the Egor International consultancy for the Goldsmiths Group. Formerly called Northern Goldsmiths, it now has divisions concerned with jewellery retailing, insurance and financial services, and hotels. The former betting division was sold to Coral in June for £7m. Pretax profit in 1984-85 was £1.6m on a £41.5m turnover.

The prime task will be tightening up and co-ordinating the group's monitoring and reporting system using its General Automation Zebra computer. But the London-based job also involves liaising with banks and so on and valuing likely acquisitions as well as general management responsibilities.

Candidates should be commercially keen qualified accountants successful in comparable high-level work, and with no need of a big supporting staff.

Pay £30,000-£35,000 plus car. The recruit will be expected to earn the financial directorship within two years.

Inquiries to Mr Lewis at 178-179 Piccadilly, London W1V 9DB; tel 01-499 3705, telex 28146 Reg G.

Securities

HEADHUNTER Dudley Edmunds of the Roger Parker Organisation seeks a securities dealer/salesperson for the London branch of an international bank he may not name. He therefore promises not to identify any candidate who so requests to the employer.

The emphasis will be on selling to clients more than on trading. The need is for ability to innovate on the basis of knowledge both wide and deep of the securities markets, and of the best use of current trading procedures and instruments. UK equities are the main focus, but familiarity with fixed-interest and options and futures markets would help.

Salary around £30,000 with usual City banking perks.

Inquiries to 65 London Wall, London, EC2M 5TU; Tel. 01-588 2580.

Senior Bankers Nigeria

A prominent Nigerian state has obtained the necessary approvals to establish a state bank in which it will be the majority shareholder in a joint venture with an overseas investor/technical partner and local businessmen. It will be incorporated in Nigeria as a commercial bank and will offer a full range of banking services – high street, corporate and international. It will be run strictly as a business organisation and supervised by the Central Bank of Nigeria. The intention is to become operational mid 1986.

The technical partner will identify the core professional staff for the Bank, and we have been asked to assist with the three most senior appointments.

Managing Director

To be responsible to the board for the overall establishment of the Bank and the determination and implementation of its structure and strategies.

Salary £55,000 tax free, plus N36,000 living expenses payable in Nigeria.

Director – Foreign Operations

To establish and develop the Bank's correspondent banking and money market strategies, facilities and relationships.

Salary £40,000 tax free, plus N24,000 living expenses payable in Nigeria.

Financial Director

To determine and implement the Bank's approved financial strategies and procedures, assume responsibility for administration, and install and oversee from the outset an appropriate and fully computerised management information and control system.

Salary £40,000 tax free, plus N24,000 living expenses payable in Nigeria.

The three appointees will have extensive successful experience of international banking – especially in the third world and almost certainly in Nigeria – and an easy familiarity with the international funding institutions. Nigerian requirements demand that they should all be qualified AIB as minimum in addition to any other qualification.

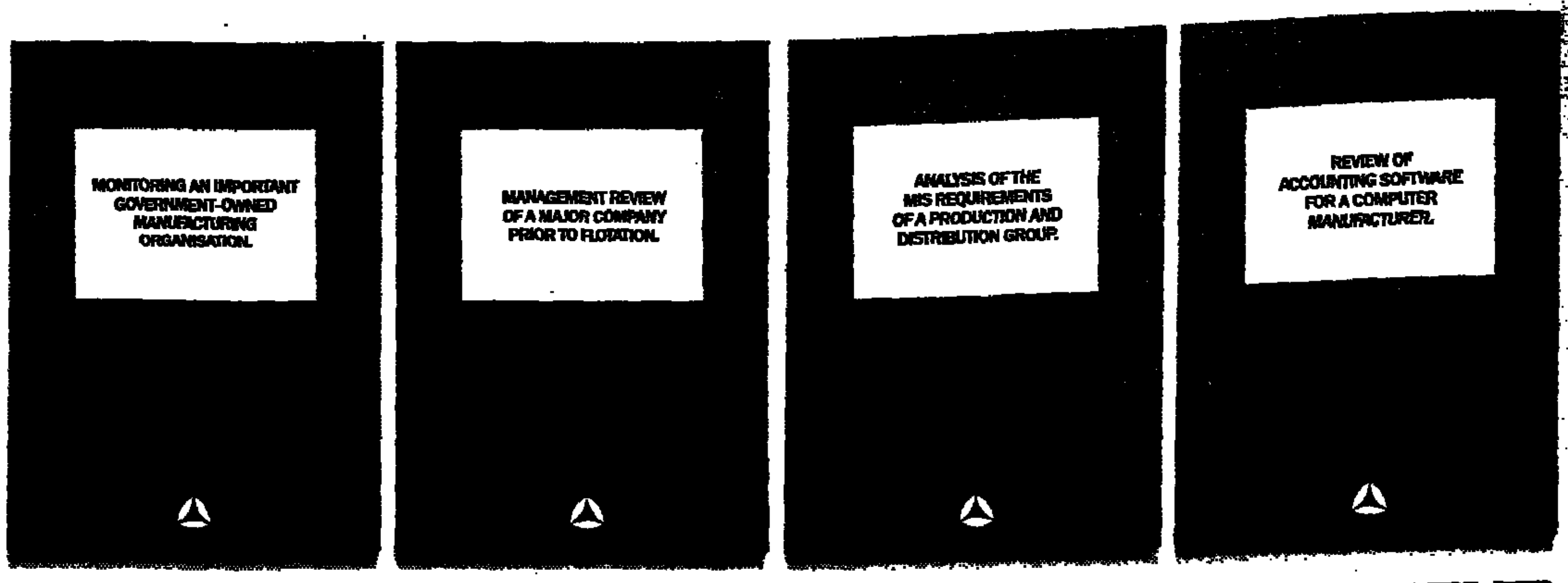
In addition to the benefits indicated separately above, the three appointees will each enjoy free furnished accommodation and medical care, appropriate domestic staff, chauffeur driven car, and six weeks annual leave. Personal pension plans will obtain.

These are important appointments. Letters of application should be sent to Mr C A Cotton, Executive Recruitment Division, Stoy Hayward, 8th Floor, Peter House, St Peter's Square, Manchester M1 5BH, quoting reference M 726, and clearly indicating the position for which application is being made. Interviews will be held in the UK.

Stoy Hayward Associates

MANAGEMENT CONSULTANTS

A member of Horwath & Horwath International



"WOULDN'T YOU FEEL A SENSE OF ACHIEVEMENT IF YOU'D SUCCESSFULLY CARRIED OUT THESE ASSIGNMENTS IN THE PAST YEAR?" RODNEY SLEE

Rodney Slee is an FCA. He has held various financial appointments in industry and commerce both in the UK and in the Middle East. In 1984 he joined Touche Ross because he felt convinced that Management Consultancy held a wider, more intellectual challenge than was perhaps available in a pure accountancy practice.

He was right.

In the past year he has been successfully involved in a range of assignments, including those above, where he found the complex problem solving work to be important, demanding, and even a little daunting at times.

In return came an overwhelming sense of purpose and achievement, and a diverse involvement in business life that many people can only envy.

If your specialisation includes economics, accountancy, engineering, marketing, or personnel, take a closer look at management consultancy in general and Touche Ross in particular.

Let's find out together if we can be partners in business.

The first step is to write, with full cv, outlining why you feel you're worth up to £30,000 plus a car, to: Michael Hurton, (Reference 2317), Touche Ross & Co., Management Consultants, *Hill House,* 1 Little New Street, London EC4A 3TR. Telephone 01-353 8011.

Touche Ross
The Business Partners

BANKER LONDON

International Financial Services Company with retail monetary business operating in five countries wishes to appoint an experienced and qualified Banker for its London operations. Probably Branch Manager level and above, age is not material.

The banking side of the business is expanding and the position calls for the ability to demonstrate entrepreneurial skills, to open and develop Branches and to recruit and motivate staff at all levels. A substantial package will be structured for the right person.

Write with full CV to:
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Box A9135, Financial Times
10 Cannon Street
London EC4P 4BY

Business Development Analyst

Oil Industry

London — **salary £16-18,000**

This major British oil company has extensive activities in various parts of the world.

The position of Business Development Analyst primarily deals with the appraisal of, and reporting on, UK expansion and acquisition opportunities, principally within the oil or oil related industries. Other activities will include participation in the planning and production of Quarterly and Annual Reports and involvement in various other Parent Company activities.

Candidates in their mid to late twenties should hold either an MBA, an accountancy qualification, or have experience of a similiar role in a City environment. The successful candidate will have considerable analytical and report writing skills, and be able to fit into a small team. Prospects for career development are excellent.

Reply in confidence, giving concise personal and career details, to: **Hugh Everard, Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH** or call on **01-405 0442 quoting reference 2058.**

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International Recruitment Consultants
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Top Management Appointments

The Geest Organization plans a substantial period of growth and development. Already the leading U.K. distributor of fresh fruit and vegetables, Geest holds a major market share in bananas; is a leading grower of houseplants and supplier of garden products; sustains a significant share of the chilled processed salads market; operates a scheduled shipping service to the Caribbean and sells and distributes its products daily in the U.K. through its trunking and distribution fleets and through thirty wholesale branches and eleven marketing centres to a wide variety of leading multiples, secondary wholesalers and High Street shops.

We currently seek to strengthen the Organization in the financial/commercial area, and, in anticipation of the normal retirement of some Board members during the next 2-3 years, in other areas. We, therefore, invite applicants alongside internal candidates for the following key positions:

Director – Finance

Reporting to the Chairman of Geest Holdings (the parent company), the Director – Finance will be responsible for the financial and commercial affairs of the Geest Organization and will also serve as a Director of Geest Industries Limited (the principal trading company).

Candidates must possess a high level of financial acumen and must provide evidence of intellectual and personal qualities and a proven track record to match this demanding position. All applicants must be of graduate or MBA level and some City and international experience would be an advantage.

In addition, we are seeking candidates for the following Board level appointments with Geest Industries. All Directors share accountability for the businesses of Geest Industries whilst individually taking responsibility for particular functions and/or operational Divisions.

Executive Directors (Designate)

Candidates must have demonstrable directorial potential, general management competence, commercial nous and strategic planning skills. Direct experience in Geest-related operations is desirable.

Successful candidates may be expected to come into the business in a Board support/senior executive role in order to obtain and strengthen relevant experience and to confirm mutual compatibility.

Personnel Director (Designate)

A broadly based innovative personnel executive with strong management development and I.R. competence is required.

The successful candidate will take immediate responsibility for Employee Development and Training including the Geest Training Centre and will support the present Director with senior recruitment and personnel strategies and policies.

Compensation for all posts is attractive and of a level to interest the most qualified candidates. The location for the above posts is Spalding, Lincolnshire with excellent education facilities and reasonable and sometimes interesting housing. Relocation assistance will be provided if required.

Interested parties should write with full bio-data to John Kennard, ABGH Advertising & Recruitment Services Limited, 87 Jermyn Street, London, SW1Y 6JD.

Geest
THE GROWTH COMPANY

TREASURER

Salary up to £30,000 + car + benefits

With assets growing rapidly towards £3 billion C&G is widely recognised as one of *the most efficient and progressive* of the top Building Societies.

The Society intends to appoint a TREASURER to manage liquid funds currently in excess of £500 million and to control the Society's wholesale fund raising operations. This will be a new post, based in Cheltenham.

The successful candidate will have several years' experience at a senior decision-making level in the gilt and money markets and will be able to demonstrate a record of success. An ability to recognise and seize opportunities is essential.

The Society's Financial Director retires in 1988 and therefore a successful applicant *with a strong background in Building Society* Financial Accounting would be particularly well placed *for early promotion.*

The competitive salary package includes *subsidised mortgage facilities, PPP and* relocation expenses where appropriate.

Apply in confidence with CV demonstrating relevant practical experience to:

A H Longhurst, Managing Director,
Cheltenham & Gloucester Building Society,
Clarence Street, CHELTENHAM. Glos. GL50 3JR.

C&G Cheltenham & Gloucester Building Society

BADENOCH & CLARK

CAPITAL MARKETS – EURONOTE PRODUCTS

To £30,000 + Bonus

Our client, a leading Investment Bank, seeks to recruit a high *calibre Marketing Executive.*

Interested applicants should have had two to three years *experience* in a major *Merchant Bank,* marketing sophisticated capital market instruments to European Corporates or *Government agencies.*

A high emphasis is placed upon depth of product knowledge and the successful applicant can expect a highly competitive remuneration package.

FIXED INTEREST – FUND MANAGEMENT

£Excellent

The Investment Management division of a major UK bank has a requirement for an experienced gilts, money market and fixed *income* fund manager. *At least* three years experience should have been gained with a recognised house where interested applicants should be able to display both technical ability in a successful track record and the personality and initiative for *business development and client relations.*

This is an exciting opportunity, and an attractive salary is *envisaged according to age and experience.*

For a confidential discussion of these positions, please contact **Christopher Lawless** or **Stuart Clifford.**

Financial Recruitment Specialists
16-18 New Bridge St, *London EC4V 6AU*
Telephone 01-583 0073

Scottish Amicable Investment Managers Limited

INVESTMENT MANAGER

Scottish Amicable wishes to expand its Investment Management team at a potentially senior level and is seeking to recruit an energetic person who would be able to make an immediate contribution in the areas of fund management and client liaison.

The position is based at the Society's Head Office at 150 St Vincent Street, Glasgow.

The successful candidate will have at least five years experience of investment *markets and should be able to demonstrate above average ability in a number of facets such* as communication and initiative. The preferred age range is 28-35 and potential applicants currently *earning less than £20,000 are unlikely to be successful.*

A *generous* remuneration package is on offer with considerable scope for advancement within a fast growing Investment Management Company.

Please apply to Mrs H C Rivers, Asst. Staff Manager (Recruitment & Training), *Scottish Amicable Life Assurance Society, Craigforth (P.O. Box No. 25), Stirling, FK9 4UE.* Telephone No. 0786-73141.

KITCAT & AITKEN

Textile Analyst and Specialist Salesman

As part of our expansion plan we are looking to recruit an experienced Analyst and Salesman to cover the Textile Sector working in conjunction with an established Retail Team who have considerable contacts within the Textile Industry.

The successful applicants will be self-motivated, extremely hard working and determined to make a real success of the sector. Remuneration will be competitive and highly geared to results.

Apply to:

Richard Ratner, Kitcat & Aitken,
17th Floor, The Stock Exchange, E.C.2
Tel: 01-588 6280

FRN Sales/ Trading

Goldman Sachs International Corp., a leading US Investment Bank, are currently *expanding their* Fixed Income Division in London and are seeking candidates to work on their FRN Sales/*Trading* Desk to help spearhead their distribution effort.

Candidates, preferably graduates, will have already had 2-3 years experience in a sales/trading atmosphere and should enjoy working in a competitive environment.

We offer a competitive salary and benefits package.

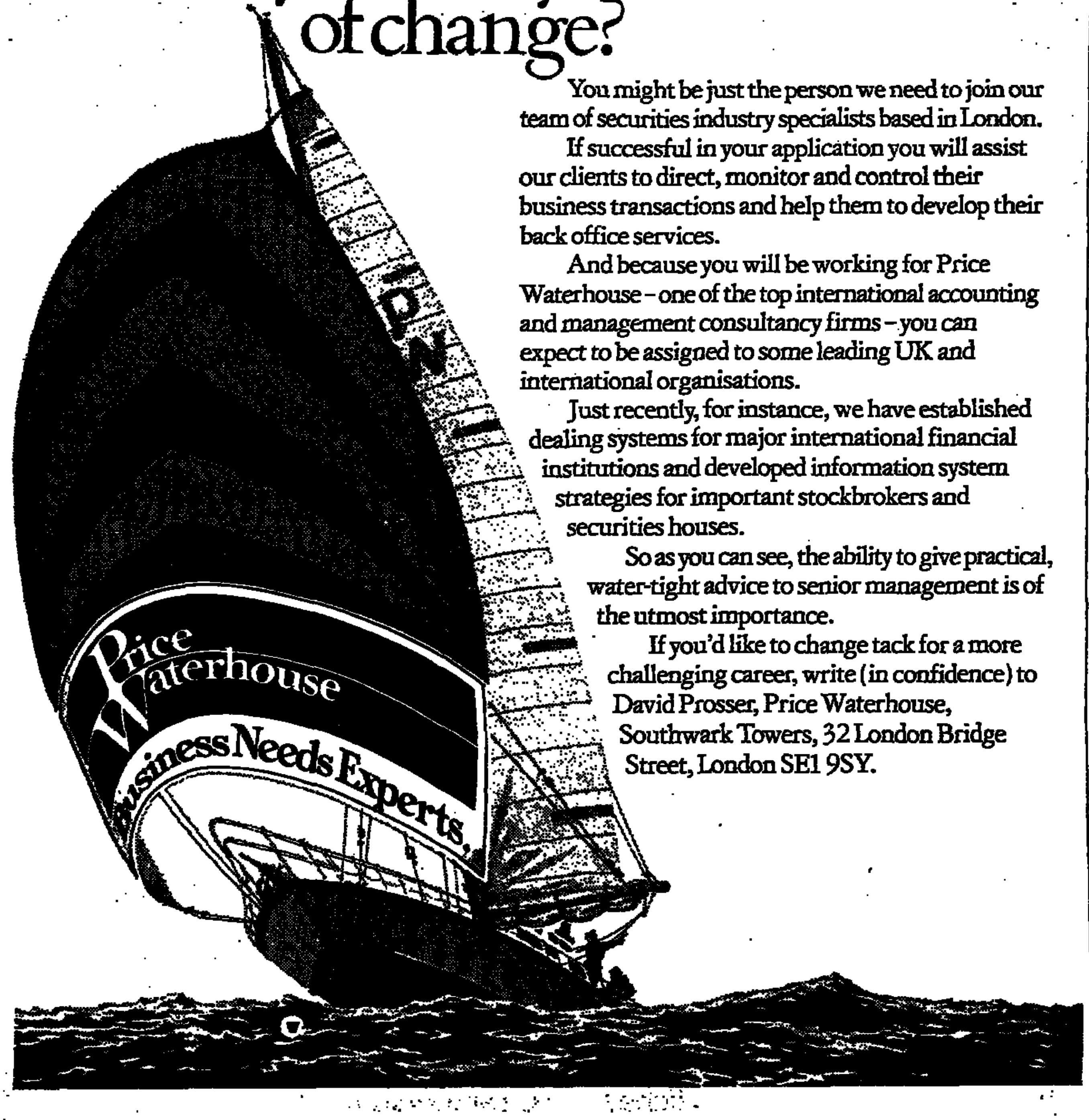
Please send your application with Curriculum vitae to:

Elizabeth Clarke,
Goldman Sachs
International Corp.,
5 Old Bailey,
London EC4M 7AH

Goldman Sachs
Uncommon capability

Unlike some of the competitors in the current round the world race you could find a new course as a consultant to the securities industry plain sailing. So if you are between 25 and 35 with either accounting or information systems experience in stockbroking or banking within the securities market, read on.

Are you ready for the winds of change?



You might be just the person we need to join our team of securities industry specialists based in London.

If successful in your application you will assist our clients to direct, monitor and control their business transactions and help them to develop their back office services.

And because you will be working for Price Waterhouse – one of the top international accounting and management consultancy firms – you can expect to be assigned to some leading UK and international organisations.

Just recently, for instance, we have established dealing systems for major international financial institutions and developed information system strategies for important stockbrokers and securities houses.

So as you can see, the ability to give practical, water-tight advice to senior management is of the utmost importance.

If you'd like to change tack for a more challenging career, write (in confidence) to David Prosser, Price Waterhouse, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

ST HILDA'S COLLEGE. OXFORD

Appointment of Treasurer

Applications are invited from men and women for the full-time post of Treasurer in this women's college from 1st January (or as soon after as possible) to be responsible to the Governing Body for financial planning and control. Experience of financial management and administration is essential.

Full particulars should be obtained from the Principal
St Hilda's College
Oxford OX4 1DY
to whom applications (8 copies) should be submitted by October 11

BREWING SECTOR ANALYSIS

We are a major firm of London Stockbrokers and are seeking two analysts with an established knowledge of the brewing and distilling sectors.

The opportunities are exceptional and will attract either sector analysts or brewing industry executives, preferably engaged in a planning or financial role. Applicants must be able to communicate effectively and concisely, whilst producing work which is both thorough and perceptive. Length of experience and a good track record are essential for the senior appointment while the other could appeal to a younger candidate with 2/3 years sector experience, gained either with a broker or financial institution.

Remuneration could be very attractive for suitable candidates.

Applications should be sent, in confidence, to B. R. C. Potterton, (Ref. BA/9), Vine Potterton Limited, Wakefield House, 152/153 Fleet Street, London EC4 2DH. Please indicate any companies in which you would not be interested.

APPOINTMENTS

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CENTIMETRE

Plus V.A.T.

MANAGEMENT POSITIONS
in
Foreign Exchange

Our Client is a substantial and expanding International bank offering significant opportunities to accomplished traders in its active dealing room:

Foreign Exchange: spot & forward trading with experience of the major Gulf currencies.

Money Markets: a minimum of 3 years' active dealing with knowledge of the newer financial instruments.

Corporate F/X: responsible for quoting prices and marketing to major corporate customers at senior level.

Candidates for all 3 positions, probably in the age range 27-34, will possess the experience and calibre to make a significant contribution to a professional and highly successful organisation.

In line with our Client's high standards, the scope for personal growth and income is considerable, and the salary will be augmented by a car and other benefits in keeping with the best City practice.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside · London EC2 · Telephone 01-248 3812.3 4 5
Management Selection · Executive Search

Money Market Sales

£20-£30,000 + Bonus + Benefits

Our client is a leading US securities house with an expanding presence in the London market. As part of their planned growth they now wish to recruit a high-calibre individual to strengthen their money market sales activities.

The ideal candidate, aged 24-28 will have had previous money market exposure and will now be interested in developing a career in US short term money market instruments. Strong sales skills and language abilities would be a distinct advantage for those with the requisite drive and ambition to succeed in this challenging role.

Interested applicants should contact Sally Poppleton on 01-404 5751 or write to her at 39/41 Parker Street, London WC2B 5LH, quoting ref: 3551.

MP
Michael Page City
International Recruitment Consultants–London Brussels New York Sydney
A member of the Addison Page PLC group

Credit Management

New Role in Expanding Business Area

International Banking City Based

Not less than £26,000 plus car

The London Office of The Hongkong and Shanghai Banking Corporation, part of The HongkongBank Group with assets in excess of £50 billion, is expanding its credit activities. The expansion has created a challenging opportunity for an executive to head a team marketing the Bank's extensive range of Foreign Exchange and Treasury services to corporate clients in the U.K.

Aged at least 35 and, ideally, a graduate, with the AIB diploma, you should have a minimum of 10 years banking experience and be able to demonstrate significant achievements in corporate business development at a senior level in a major bank. A proven track record in corporate lending and a sound knowledge of the Foreign Exchange and Treasury area are essential.

Conditions of service are excellent. In addition to the salary indicated, an attractive benefits package includes company car, non-contributory pension, BUPA and low-interest housing loan.

Please write enclosing full personal and career details to:
International Recruitment Officer
The HongkongBank Group
P.O. Box 199
99 Bishopsgate
London EC2P 2LA
Telephone: 01-638 2366
Ext. 2922

HongkongBank
The Hongkong and Shanghai Banking Corporation

EXECUTIVE MANAGER

CENTRAL LONDON

RETAIL FINANCE

We are a successful International business in the financial field with operations worldwide. Our branch expansion has been rapid and provides unusual career opportunities for experienced and ambitious management. We are looking for energetic and able Managers who are able to assume responsibility for profitability and who are able to train and motivate staff. This is a rare opportunity to establish a career with an expanding company which is a leader in its field. An excellent package is available. — Ref. WB.

Write Box A9137, Financial Times, 10 Cannon Street, London EC4P 4BY

INSURANCES OF CREDIT

UK BRANCH OF INTERNATIONAL GROUP

NEW BUSINESS EXECUTIVE

Must have three years' commercial experience, likely to be in the age range 25-35.
Selling an underwriting facility.
Croydon-based.

Ring or write for an application form:
01-680 1565 22 Park Street, Croydon CR0 0YH

Philadelphia National Limited

A WHOLLY OWNED SUBSIDIARY OF THE PHILADELPHIA NATIONAL BANK, U.S.A.

Philadelphia National Limited has been established in London as a wholly owned subsidiary of The Philadelphia National Bank with initial paid in capital of £19,000,000. Philadelphia National Limited will deliver international financial products worldwide and in particular to clients of The Philadelphia National Bank. Its approach will be to design and implement solutions to meet clients' financial needs, utilizing the full range of international and domestic capital market products. To accomplish these goals, we require certain talented individuals to augment our existing cadre of professionals in the following key areas:

Marketing

We are seeking an experienced investment banker or merchant banker to lead a team marketing capital markets services in the USA and Canada. Candidates should have experience of a wide range of international financing techniques. The vacancy exists for an experienced individual who will be expected to have an impressive record of achievement, in identifying customers' financial problems and designing effective solutions for them.

Swaps

The solutions to our customers' financial problems will often be swap-related, employing both interest rate and cross-currency swap expertise. Consequently we are seeking a talented individual to lead a small swaps team which would be located in both London and Philadelphia. Such a person will have experience of financial structuring involving swaps and will be expected to provide a creative contribution to the organisation as a whole.

These are senior positions offering Directorships for the right candidates. Location in either London or Philadelphia is available and the compensation packages will reflect the importance attached to these vital roles in our new venture. We are a small organisation and flexible enough to allow precise job descriptions to be tailored to fit the particular strengths of each individual.

In the first instance please contact Janice Riley at Philadelphia National Limited, Philadelphia National House, 3 Gracechurch Street, London EC3V 0AD, telephone 623 8100.

Financial Support Manager

Surrey base + overseas travel

Johnson Wax is a highly successful international group, manufacturing and marketing a wide variety of top-selling consumer and industrial products, many of which are brand leaders.

This new position based at Milton Park, Egham within our Africa/Near East Division reports to the Regional Controller and calls for someone of senior financial calibre able to provide financial and business support services, guidance and training to our subsidiaries in Africa and the Middle East. The role encompasses the planning and implementation of financial and operating activities including cost systems, budgets and balance sheet management programmes, and calls for several years' experience at Financial Controller/Director level within the consumer package goods industry. Aged 30-40 years with a degree and an ACA qualification you must be able to demonstrate your knowledge of financial principles, planning and computerised systems. Familiarity with a multi-national business environment plus highly developed inter-personal skills are prerequisites. Approximately 30% of your time will be spent overseas. Experience of the African and Middle East environments, including Arab and French language skills would be an added plus.

In return we offer the highly competitive remuneration package to be expected of a large international company, including a company car, profit-sharing scheme and free pension and life assurance.

Please write with full personal and career details to:
Alan R Hornish, Regional Personnel Director,
Africa/Near East Region, Johnson Wax Limited,
Milton Park, Stroude Road, Egham, Surrey TW20 9UH.

Johnson Wax

MERCHANT BANKING
INVESTMENT FUND MANAGERS

Several of our Merchant Banking clients wish to expand and strengthen their Investment Departments in the Management of both Private Clients' and Pension Funds. Candidates aged between 25/35 years, will be Graduates with several years' experience of UK and/or North American Equity Markets, gained with a Merchant Bank, Stockbroker or Financial Institution.

Highly competitive remuneration packages will be offered, together with the usual banking benefits.

CORPORATE FINANCE

Due to increasing demand for the services of its Corporate Finance Department our client, an Accepting House, wishes to recruit two additional Executives.

Applicants should be aged 25 to 32, have a good degree and hold a professional qualification (A.C.A., or Solicitor). Some experience of corporate finance work would be an advantage.

Competitive salaries will be paid together with the usual bank benefits.

Please telephone or write enclosing a detailed Curriculum Vitae to, Peter Latham or David Grove.

JONATHAN WREN & CO. LIMITED,
170 Bishopsgate, London, EC2M 4LX. Tel: 01-623 1266

LONDON SYDNEY HONG KONG

Jonathan Wren
RECRUITMENT CONSULTANTS

Accountancy Appointments

CHIEF ACCOUNTANT Up to £18,000 + Car

An experienced qualified Accountant is required to head the Accounts Function of a major subsidiary engaged in Container Shipping. Reporting to the Managing Director the Chief Accountant will head a small team providing a complete financial service to the Board. Candidates must be able to demonstrate the capacity to offer authoritative advice on commercial matters, as well as being a good communicator and sound negotiator. Strong inter-personal skills and excellent man management abilities are considered essential qualities. This dynamic role offers exceptional prospects for personal development and career advancement.

ACCOUNTS MANAGER Up to £16,000

Strong commercial potential is the major requirement in the recruitment of a Qualified Accountant who will be responsible for supporting the management of this important container shipping operation. The work is challenging and varied providing excellent career development prospects. Candidates will be asked to show broad experience and high technical expertise. Some travel necessary.

Please write enclosing detailed c.v to:

The Manager Organisation and Management Development
Ellerman Lines plc
12/20 Camomile Street London EC3A 7EX

Ellerman

Finance Director

Newport, South Wales **up to £30,000 plus car**

This independent company, formed less than two years ago, has a newly built *modern manufacturing facility* and a quality hi-tech product range for which *there* is a substantial market. To meet the demands of its expanding business, the company *now* wishes to appoint *its first* Finance Director.

As a key member of a small top management team, the primary responsibilities will be to control all aspects of the company's financial affairs. This will also entail management of the computer operations and, as company secretary, working closely with the company's advisors and shareholders.

The requirement is for a qualified *accountant with at least seven years* post qualifying experience, including managing company finances. A lively mind and strong technical *management* skills are also sought, coupled with the *ability to make a substantial contribution* at a senior level in a manufacturing company.

Please write in confidence, enclosing career details and quoting reference 6777/L to C. T. Garcia, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

ACCOUNTANT CONTROL

FOR PROFESSIONAL PRACTICE

We are looking *for* a *Chartered* Accountant to take charge of all the financial and administrative controls of our practice of Chartered Accountants thus releasing the seven Partners for the tasks for which they are primarily qualified.

The applicant, aged 45-55, will ideally have had experience of working in a professional partnership and will also be conversant with computers and word processors. Not only will the applicant be able to produce meaningful management information, financial statements, cash flows, budgets and exercise credit control but being possessed of firm personality will hande partners and staff with diplomacy and tact.

Location is at pleasant offices in a North Surrey town.

Salary around £20,000 plus car

Write with c.v. to Box A9127, Financial Times 10 Cannon Street, London EC4P 4BY

GENERAL PRACTICE PARTNER (DESIGNATE)

London **c£35,000**

We have been exclusively retained by a highly successful, medium sized, West End practice, who are seeking to further strengthen the partnership by recruiting a high calibre chartered accountant, with the potential to become a salaried partner within six – twelve months and an equity partner within a further one – two years maximum.

The partner designate will initially work on a varied client base ranging from small growth companies to family businesses and major private companies. The selected *candidate* would need not only a first class track record to date in a major or medium sized accounting firm but also the ability and presentation skills suited to providing a very close personal financial advisory service to clients.

All applications will be dealt with in the strictest of confidence. Please write, in the first *instance, to* Trevor Atkinson F.C.A., *at our London Office, enclosing* a *detailed* c.v. *quoting* reference 5633.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Pension Fund Accountant
Investment fund management at its most sophisticated

An advanced technology company geared to meeting customer demands in all its markets, Rank Xerox is equally well equipped to service the long term interests of its employees.

The Rank Xerox Scheme has a high national profile both in terms of its benefits level and an innovative approach to the management of invested funds (currently £300m). Hence our ability to provide personal and career satisfaction for the accountant we now need to join a small, highly professional pensions administration team in a department with £1m internal budget and annual cash flow of £30m.

Reporting to the Fund's Financial Controller, you will take responsibility for all aspects of the fund's financial operations, and for those of the Trustee Company. You will analyse and report on the performance of invested assets, control and develop investment performance procedures, and liaise with external fund management as well as internal contacts in departmental and scheme accounting.

To respond to the demands of a fast moving, flexible pension fund environment, you should be a qualified accountant with proven ability to communicate effectively, both orally and in writing, with all levels of management.

A starting salary in the region £13,000 is negotiable, with prospects of future rewards that will attract a man or woman of high potential.

You can put your career at the forefront of pension fund development by sending your full c.v. to Tim Hurst, Senior Personnel Officer, Rank Xerox Limited, Middlesex House, 4 Mercer Walk, Uxbridge, UB8 1UD.

RANK XEROX

INVESTIGATIVE ACCOUNTANTS

ACAs/FINALISTS **neg. to £18,000—£20,000 + car**

Our client is a dominant force in the U.K. INSURANCE MARKET with prestigious offices in LONDON EC3 and administrative headquarters in CHATHAM, Kent.

There are a number of GOLDEN OPPORTUNITIES for young ACAs and CONFIDENT FINALISTS to pursue differing career paths taking into account the diversity of their individual talents.

Young men or women in the age range 22-35 who have SOMETHING SPECIAL to offer and would like to be based either in LONDON or CHATHAM are invited to apply to the company's advisers.

A first-class RELOCATION PACKAGE is provided in appropriate circumstances.

The ideal candidate would be a GRADUATE QUALIFIED ACA with insurance or other relevant commercial experience and one or two years' post-qualification experience in one of the TOP TEN UK PROFESSIONAL FIRMS either in LONDON or the PROVINCES.

However, the deciding factor in shortlisting is always PERSONAL EXCELLENCE which comes in many guises and should be CLEARLY DEMONSTRATED in your application.

Please telephone and send career details to:
GEORGE D. MAXWELL
Managing Director
ACCOUNTANCY APPOINTMENTS EUROPE
1-3 Mortimer Street, London W1
Tel: 01-580 7695/7739 (direct)
01-637 5277 ext 281/282

Accountancy Appointments Europe

Management Opportunity

Corporate Audit

Central Southern England £18,500+ Co. car

Our client, a multi-national high technology corporation, is a world leader in telecommunication systems.

A large number of main frames and mini computers are used throughout the business and are fully accepted as an *important tool of management.* The internal audit unit, which is part of the *corporate staff, has a wide ranging* responsibility to the Executive **Management Committee** to report on the quality and suitability of business control systems.

Candidates who will probably, but not necessarily, be qualified accountants, should have at least 2 years' senior auditing experience in the profession or the internal unit of a major corporation. In addition, candidates should be able to demonstrate successful management responsibility for an accounting department because this position is seen as an assignment prior to taking up a management appointment in one of the subsidiary companies. Salary is negotiable, there is an attractive *re-location scheme* where appropriate, and a large company benefit package.

In the first instance, contact Bruce Crammond on 01-631 4184 or write to:
A & A Consultants (Holding) Limited,
(Management & Recruitment Consultants),
County House,
10 Little Portland Street,
London W1N 5DF.

Financial Controller

c £25,000 **London WC1**

Our client is Wolff Olins, the leading corporate identity and design consultants whose growth plans call for the appointment of a Financial Controller.

This new post reports to the Financial Director and is strongly geared to the provision of Board level information *that will optimise the Company's profitability* and help it achieve USM status in the near future.

Candidates should be qualified accountants whose personal assurance and resilience is matched by sound experience of computer based project accounting in an informal but well-ordered environment emphasising both creativity and putting the customer first.

There is scope for flexibility in the make-up of the rewards package.

Please write with a full cv stating how you meet these requirements, quoting *ref:* 1431 to:

BinderHamlyn MANAGEMENT CONSULTANTS

Trevor Austin
Binder Hamlyn Management Consultants
Executive Selection Division
8 St Bride Street, London EC4A 4DA

BARCLAYS BANK

Barclays Bank Chief Accountant's Department is located in modern offices in Poole, Dorset. The work of the Department is involved with financial and management accounting for the Barclays Group. The Department plays a vital role in the development and co-ordination of the Group's accounting policies and practices. A vacancy has arisen for a

FINANCIAL ACCOUNTANT

c. £15,500 plus substantial benefits

The post is concerned with the preparation of Group management and financial reports, including those required to meet reporting obligations in the United States and certain others necessary for Bank of England supervisory purposes.

Candidates should be chartered accountants with post qualification experience of substantial consolidations gained at the head office of a large group or in a professional firm.

The position offers opportunities for career progression with the Barclays Group, attractive working conditions and substantial fringe benefits including a non-contributory pension scheme, a special house purchase scheme and the Bank's profit-sharing scheme. Assistance with relocation expenses is available if necessary.

Please send a comprehensive career resumé, including salary history to:
G. A. Mawer, C.A.,
Head of Group Accounting, Barclays Bank PLC,
Barclays House, 1 Wimborne Road, Poole, Dorset BH15 2BB.

BARCLAYS

JAMES CAPEL & CO.

are looking for an additional

U.K. EQUITY SALES EXECUTIVE FOR JAPANESE INSTITUTIONS

The successful applicant is likely to be aged 25-35, with proficiency in the Japanese Language, and must be experienced in dealing with Japanese clients in financial markets. Opportunities exist to expand coverage to other markets. Emoluments will be very competitive.

If you think you may be interested, please ring or write in confidence to:

Iain McWhirter
James Capel & Co.
Winchester House
100 Old Broad Street
London EC2N 1BQ
Telephone: (01) 588 6010

MERCHANT BANKING

ACA's £17,500—£22,500+mort

A leading BRITISH MERCHANT BANK has two vacancies for young graduate ACAs with first-class academic and professional backgrounds to become part of a high-level INTERNATIONAL TEAM advising on major ENERGY PROJECTS.

The successful candidates will probably be in the age range 23-28 and should have positive and at the same time pleasant personalities to assist them to deal with very senior personnel within the BANK and externally with clients.

You are invited to telephone and send your c.v. to:
G. D. MAXWELL, Managing Director
ACCOUNTANCY APPOINTMENTS EUROPE
1-3 Mortimer Street, London W1
01-580 7695/7739 (direct)
01-637 5277 ext 281/282

Accountancy Appointments Europe

Accountancy Appointments

Group Taxation Manager

Yorkshire **c£20,000 + Car**

Our client, a large international public group, has established itself in a position of prominence in its market sector through an enviable record of profitability and growth.

Continued expansion necessitates the appointment of a Group Taxation Manager who will be responsible, on a day-to-day basis, for advising all levels of management on the tax implications of company policy and investment decisions. This will include responsibility for the Group's Corporation Tax compliance work, and will involve overseas tax including the affairs of the Group's U.S. subsidiaries.

The successful candidate will be of graduate intellect and have experience of Corporation Tax Management in an industrial environment, a professional office or in the Inland Revenue. Proven technical ability, strong communication skills and the potential to contribute effectively to the overall management of the business are essential pre-requisites.

Relocation expenses, where applicable, are available for those moving into the area.

Interested applicants should contact Graham Thompson on 0532 450212 or write to him at Michael Page Partnership, 13/14 Park Place, Leeds LS1 2SJ, quoting reference L8182.

MP

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels NewYork Sydney
A member of the Addison Page PLC group

Accountants

Central London **c£18,000-£20,600 + Package**

Resulting from the establishment of a new Financial Controller's Department, career opportunities have arisen for two qualified accountants (ACA, ACCA or ACMA) to join the management team within the Management Services Division of the Bank.

Management Accountant

The successful candidate, aged 28-39, will be responsible for managing the financial planning, costing, capital budgeting and appraisals, also performance reporting for the Division. He/she will be responsible for 11 staff.

Experience in all the functions outlined is essential as well as knowledge of sophisticated computer systems within a commercial/industrial environment.

Financial Accountant

The successful candidate, aged 25-36, will be responsible for supervising the financial accounting operations of the Division on a day-to-day basis and the system of charging users for services provided. Experience of computerised accounting systems in a commercial environment is essential, and gained either with one of the top accounting firms or in line management of a large organisation.

To the persons who can satisfy these requirements a very attractive package will be offered including profit sharing, subsidised mortgage, preferential loans, pension, BUPA and other banking-related benefits. The successful candidates will have significant long term career prospects in an expanding financial control environment.

Please send details of your career including academic grades, first time passes and present salary to:
I.P Goodwin, Esq., Divisional Personnel Manager, Management Services Division, Lloyds Bank Plc, Black Horse House, 78 Cannon Street, London EC4P 4LN.
Strict confidentiality will be observed.

Lloyds Bank

A THOROUGHBRED AMONGST BANKS.

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY
Rate £37.00 per single column centimetre plus V.A.T.

Appointments Wanted

CHARTERED ACCOUTANT
(F.C.A.)
Recently released seeks opportunity (preferably Sussex). Single, 45. Paris 9 years (fluent French). Company Secretary travel industry 12 years.
*Suggestions Box A9139
Financial Times
10 Cannon Street, London EC4P 4BY*

Marks & Spencer

St Michael Financial Services

Financial Controller

Central London **£25-30,000 + Car**

St. Michael Financial Services (SMFS) was established in 1984 as a wholly owned subsidiary of Marks & Spencer. It is responsible for the development of the Marks & Spencer Chargecard, the administration of which is currently the subject of a management contract with North West Securities, a subsidiary of the Bank of Scotland. The agreement provides that SMFS will progressively assume direct managment control over the next two and a half years and management appointments now being made are part of that process. Operations are based in Chester with a small Head Office nucleus working in the Marks & Spencer headquarters in Central London.

This is a unique opportunity in a new and rapidly growing area within the Marks & Spencer group. It is expected that SMFS will become an important profit centre within the main business and career development will reflect this potential.

Reporting to the Managing Director of SMFS, the Controller will be responsible for the introduction of accounting and management information systems and will play a key role in the future development of the company, particularly with regard to financial reporting, budgeting and planning.

Suitable candidates, aged early 30's, will be qualified accountants with a record of career success and the potential for rapid development. Candidates should be familiar with issues specific to a highly computerised service activity and have experience of computer modelling techniques. Previous financial services experience is desirable. In addition to excellent communication skills, commercial awareness and an innovative approach, candidates should be able effectively to manage change and make a significant contribution to the expansion of this exciting new company.

Please apply directly to Jeff Grout at Robert Half Personnel.

ROMAN HOUSE, WOOD STREET, LONDON EC2Y 5BA. 01-638 5191·

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS
LONDON · BIRMINGHAM · NEW YORK & 82 OTHER CITIES WORLDWIDE

Area Accountant

Essex **c. £15,500 + fully expensed car**

A very visible nationwide trading group with a commitment to planned expansion, seeks a qualified accountant aged 25-30 years.

The primary objective is to assist the Area Manager in the efficient and profitable running of local trading units. Thus, the position calls for an entrepreneurial quality to look beyond the basic accounts function – to the provision of business guidance, particularly in the area of capital appraisals.

Longer term career prospects are excellent and not necessarily limited to the finance area.

Contact Patrick Donnelly on 01-222-5169 quoting ref. FT/81

tfi **The Finance Index**
Financial Recruitment Consultants
11 Palmer Street London SW1H 0AB Tel: 01-222 5169/1181

Young Qualified Accountants

Your Future—Your Choice

to £18,000 **Central London**

A leading international company engaged in the exploration and production of oil and gas and in the refining, distribution and marketing of petroleum products offers outstanding opportunities for young, qualified accountants with senior management potential.

Seen as a platform for rapid career advancement within the Company, initial responsibilities will cover a wide area of financial and accounting activities providing management with information, business analysis and financial reporting services.

Candidates must be newly/recently qualified accountants (ACA, ACMA or ACCA) and will ideally be graduates, able to demonstrate energy, drive, enthusiasm and personal commitment in an exacting but stimulating environment.

The Company is an Equal Opportunity Employer and positively welcomes applications from men and members of ethnic minority groups.

Please send your career details in strict confidence to David G. Rush, quoting reference 6794.

Mervyn Hughes Alexandre Tic (International) Ltd.
Management Recruitment Consultants
MH AT
37 Golden Square, London W1R 4AN.
☎ 01-434 4091

Group Finance Director

We are a rapidly expanding, profitable, private group of companies. We manufacture and sell our own engineering products world-wide. We are based at Aylesbury, Buckinghamshire, with subsidiaries in the U.K., North America and Japan.

As a member of a small Head Office team, which includes the Chairman and Chief Executive, the position should lead to broad responsibilities in addition to financial duties. Common sense, flexibility and hard work are the cornerstone of this position.

The person we are seeking would be aged under 45 and have a proven record of man-management and control of subsidiaries in various locations. You must be a qualified Chartered Accountant with up-to-date experience in Micro-computers, Taxation and Control Systems. The ability to work with and motivate people is paramount. You would be looking at this as a permanent, growth position within the Group. Salary over £20,000 + car + benefits.

Please send a comprehensive c.v., which includes job remuneration and reasons for leaving, to:

*Box A9069, Financial Times
10 Cannon Street, London EC4P 4BY*

Group Accountant

Salary to £18,000 + Benefits

member HongkongBank group

Our client, Hong Kong International Trade Finance Ltd., is a wholly owned subsidiary of the Hong Kong & Shanghai Banking Corporation and its trade finance arm in Europe.

They are now seeking to strengthen their Head Office reporting system by the appointment of a high calibre Financial Accountant.

Principal responsibilities will be the preparation of worldwide consolidated Management Reports, statutory accounts and annual tax returns, systems review and development. Experience of IBM Micros and Lotus software would be a definite advantage.

Candidates (aged 25-30) must be qualified ACA/ACCA with strong interpersonal and management skills. Your high professional standards, enthusiasm and the initiative to work unsupervised will be rewarded with a highly competitive salary and career opportunities.

For further details please write, enclosing C.V., or telephone Susan Ross.
FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 59A LONDON WALL, LONDON EC2M 5TP. TELEPHONE 01-628 2441

Firth Ross Martin
Financial & Professional Selection Consultants

YOUNG MBA

CIRCA £17,500 PLUS CAR

Celltech Limited, Europe's leading biotechnology company, is looking to appoint a young MBA for the position of Planning Support Manager.

Reporting to the Director of Finance, you will provide planning support to the Chief Executive and other senior managers. Specific responsibilities will include the management of our corporate planning process, evaluation of major strategic proposals (e.g. joint ventures), and financial appraisal of major projects and investment proposals.

You will possess a life science degree, ideally commercial experience, and have recently been awarded your MBA.

In addition to an attractive starting salary you will be provided with a company car and all fuel, share options, and other benefits including Pension and Life Assurance schemes.

Please apply giving full details to: David Thomas, Manager, Human Resources, Celltech Limited, 244–250 Bath Road, Slough, Berks SL1 4DY quoting reference number 277.

CELLTECH

IML

Air Services Group Limited

Group International Accountant
UK Courier Chief Accountant

This fast moving international service sector group in the air cargo and air courier business have a requirement for two qualified accountants to fill the above positions.

Group International Accountant
c. £17,000

Responsible to the Group Finance Director for Group accounting and reporting of all overseas companies.

Applicants must be good communicators and have had previous commercial experience whilst being capable of exercising tight control in a competitive business which responds quickly and flexibly to market opportunities. Some overseas travel is anticipated.

U.K. Courier Chief Accountant
c. £19,000

Responsible to the MD of the courier company for the accounting function of this the largest and most complex operating division.

Applicants must have had previous commercial and staff control experience, and be capable of working to tight deadlines in the preparation of financial, management and budget information.

Please forward your C.V. and a daytime telephone number to Mr. A Ramsay, Group Finance Director.

IML air services
Astronaut House, Hounslow Road, Feltham, Middlesex TW14 9AH

Accountancy Appointments

Coopers & Lybrand Open Evening.

Two hours that could open the door to your future.

Sometimes your future might appear to be hidden behind a closed door. Coopers & Lybrand can help you to remove this uncertainty. In fact a career with us opens a great many doors both inside and outside our fast-growing organisation.

Already the largest management consultancy in the U.K., we are continually expanding; as a result we are looking for more financial consultants to work in our London and regional offices.

That's why we would be pleased if you could come along to an open evening to meet our team of financial consultants, learn something of the way in which our organisation works and talk informally about your career. **The evenings take place in the week commencing Monday 7 October and with events in London, Birmingham, Bristol and Huddersfield there's bound to be one taking place near you.**

Consultancy gives you the opportunity to use your skills and experience with a wide range of clients in many different sectors of industry. Working often as a part of a multi-disciplinary team, you will broaden your horizons and develop both your technical and managerial skills. For some of you consultancy may become a long-term career in itself; for others it may lead to top positions in industry and commerce.

There are a few pre-requisites of course. You'll be a graduate accountant in your late twenties or early thirties, possibly with an MBA, definitely ambitious, self-motivated and able to adapt to constantly changing situations. If you would like to discuss financial consultancy as a career move – now or in the future – phone one of the numbers below and an invitation to the relevant evening will be sent to you.

Who knows? If you think your future is a closed door, Coopers & Lybrand may be able to provide the key.

London – Octavia Jennings – 01 236 5011
Midlands – John Ibbotson – 021 233 1199
South West – Alan Latham – 0272 292791
North – David Pettifer – 0532 431343

Coopers & Lybrand

For business committed to growth.

Accountant (Systems Development)

Do you need a fresh environment to develop and stretch your talents?

£20,000 package **Aberdeen**

You are around 28, qualified and probably working in a busy commercial organisation. You are a skilled communicator with sound Systems Development experience. You are confident.

Does the prospect of taking on a brand new role in a fast expanding company excite you?

Our client is a young rapidly expanding subsidiary of a multi-national oil company based in Aberdeen. This unique opportunity has been created as a direct result of growth.

Essentially your role would be that of an 'In House Consultant' responsible for identifying the need for individual financial systems across a whole range of specialist functions and then briefing the DP staff accordingly.

Obviously you will be aware of the need for tact and diplomacy but we also expect you to possess the flair to innovate not duplicate!

Your initial salary package would be c£20,000 which includes Annual Bonus, BUPA, Life Assurance, Pension and re-location expenses.

For further information contact: **Marleine Kay 041 204 0944. 93, Hope Street, Glasgow G2 6LD.**

accountancy personnel
Placing Accountants First

International Financial Controller

Yorkshire **c.£17,000 + Car**

Our client, a substantial public company, is the market leader within its sector of the food industry. Its branded products are recognised throughout the world.

The rapid growth of its international operations, to overseas sales in excess of £20 million has resulted in the need to recruit a commercially orientated accountant to join a young team committed to accelerating the development of its overseas activities. Heading up a small department, this role, whilst essentially being of a commercial nature, will include establishing financial reporting systems, and currency exposure management in addition to involvement in strategic planning, demand forecasting and transfer pricing. This appointment represents an exciting opportunity to contribute at a senior level to the development and continued expansion of an already successful segment of the group's business.

The successful applicant will probably be a graduate Chartered Accountant, and is likely to have experience of multi-national operations. Whilst technical competence is obviously essential, emphasis will also be placed on good communication skills and an ability to operate efficiently and effectively in an FMCG environment.

The company operates a performance-related bonus scheme, and relocation, costs will be reimbursed if applicable. Please write to Barry Ollier ACA, enclosing a comprehensive c.v., quoting ref. 8184 at 13/14 Park Place, Leeds LS1 2SJ.

MP
Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Chief Accountant

W. London **c £21,000 + car**

Established 30 years ago, a major international media group with diverse activities has reached a significant stage in its history. Future plans coinciding with technological development should enhance substantially the present £ multi-million turnover.

A qualified accountant aged up to 40 years with sound commercial experience, ideally gained within a fast moving service environment, is required to join the management team. Optimising financial control on a day to day basis you should be fully conversant with treasury, foreign exchange transactions and statutory requirements. Knowledge of computerised systems and man-management skills are also called for.

The position offers substantial challenge now and in the longer term. Appropriate relocation expenses will be met.

Contact Patrick Donnelly on 01-222-5169 quoting ref. FT/82.

tfi **The Finance Index**
Financial Recruitment Consultants
11 Palmer Street London SW1H 0AB Tel: 01-222 5169/1181

Hoggett Bowers

Executive Search and Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Chief Accountant

Devon, Up to £16,000 plus car

This is a key position emerging from a restructuring within a £25m t/o group. The objective will be to involve and complement the new progressive organisation in developing management information systems to improve productivity and accountability. Involvement with line management will be an essential part of the job. Applicants, preferably but not essentially qualified, should be familiar with computer based systems and experienced in management accounting. The position offers major responsibility and would be an ideal opportunity for someone around 30 years of age who wishes to broaden their experience. The company is situated in a very attractive area which offers an exceptional range of amenities. The remuneration package offered reflects the importance attached to this position and includes a fully expensed company car together with generous relocation assistance where appropriate.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to *J.H.E. Davies,* **Hoggett Bowers plc,** *6th Floor, Sutherland House, 5/6 Argyll Street,* **LONDON,** *W1V 1AD,* **01-734 6852,** quoting *Ref: 37410/FT.*

FINANCIAL CONTROLLER

STAINES

Circa £20,000 + Car + Benefits

The GORDON SPICE GROUP is the largest independent Motor Trade Cash and Carry Company in the country. Through our four warehouses we supply a very large range of motoring needs to the independent retail trade.

Reporting to the Joint Managing Director, the Financial Controller will be responsible for all aspects of the Finance and Accounting functions of this growing group. A commercial attitude and good communication skills will be essential together with the ability to control and motivate staff.

Candidates should be at least 30 years of age and be ACA qualified.

Future career and remuneration prospects will depend entirely upon the contribution made by the successful applicant.

For further information, please apply initially in writing, together with brief career details to:

Jonathan Bailey,
Personnel Director,
Gordon Spice Limited,
12a Central Trading Estate,
Staines,
Middlesex. TW18 4UX

Letters should be marked 'Private and Confidential' and will be treated as such.

Spice

INSURANCE ACCOUNTANT

PROJECTS **neg. to £20,000 plus car**

Based in the CITY, our client seeks a YOUNG QUALIFIED ACCOUNTANT to tackle a number of INTERESTING PROJECTS related to the provision of essential accounting information between firms of LLOYDS BROKERS and UNDERWRITERS.

Aged probably 25-35, the ideal candidate would have considerable knowledge of the INSURANCE MARKET and LLOYDS in particular gained either during professional training or preferably in a more direct capacity.

Essential talents include a PROBLEM SOLVING mentality allied to the strong INTERPERSONAL SKILLS required for dealing with high-powered individuals in a MULTI-MILLION POUND environment.

CAREER PROSPECTS are excellent in an industry where Great Britain still leads the world.

Please telephone and send your C.V. to:
GEORGE D. MAXWELL,
Managing Director,
ACCOUNTANCY APPOINTMENTS EUROPE,
1-3 Mortimer Street, London W1
Tel: 01-580 7695/7739 (direct)
01-637 5277 ext 261/262

Accountancy Appointments Europe

Group taxation manager

London, £40,000 neg

C&L

For a Times Top 100 plc with extensive international interests undertaking substantial investment at home and overseas during a period of major corporate restructuring.

Responsibility is to the Group Financial Director for overseeing the international tax function with the emphasis on planning and advising rather than compliance. The post provides scope for creativity in a broad commercial role in a fast moving entrepreneurial environment.

Aged from 30, you must have had substantial experience at a senior level in advising large corporations on international fiscal matters. Terms need not be a limiting factor.

Résumés including a daytime telephone number to John Robins, Executive Selection Division, Ref. RF 303.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

ASSISTANT ACCOUNTANT/ COMPANY SECRETARY

London **c.£20,000**

A City based public company, specialising in insurance and insurance *underwriting,* requires an Accountant qualified to ACA/ACCA to join a small *management team reporting directly* to the main board.

Applicants should be capable of managing all accountancy and secretarial *functions* associated with a rapidly expanding public company. Career prospects are excellent.

Please reply with full curriculum vitae to

WALTER JUDD LIMITED (Ref. L704),
(Incorporated Practitioners in Advertising),
1a, Bow Lane, London EC4M 9EJ

Accountancy Appointments

International Operations Review

U.S. Travel

London — **Package to £18,000 including Car**

Our client is a rapidly expanding international paper packaging and distribution group with an impressive record, making headlines in the national financial press in recent months.

The vigorous expansion programme has resulted in career openings throughout the group. A young highly motivated qualified accountant is now required to join a small operational review team which reports directly to the Group Finance Director. The exciting mix of analysis, project and investigation work will provide the opportunity for around 12 weeks' travel a year to the U.S.A.

You should be a qualified Chartered Accountant in your mid to late 20's and will have preferably trained with a large professional firm. Your personal drive and commercial flair must be combined with the potential for long term progression to Financial Controller status.

Applicants should write to Hugh Everard at Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH, or telephone him on 01-405 0442, quoting ref. 2056.

MP

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

ACCOUNTANCY APPOINTMENTS ALSO APPEAR TODAY ON PAGE 20

North East — **Up To £30,000 + Car**

Financial Director

Our client is a rapidly growing group of companies which provides specialist people and services worldwide to the international energy, marine, petrol-chemical and nuclear industries. It now needs a Financial Director to help control this growth, and specifically to take charge of all financial planning and funding and the conduct of financial investigations for acquisition.

The successful candidate will be aged mid-30's upward and a qualified chartered accountant. Broad experience of international operations, possibly in one of the above industries, would be very helpful, as would City familiarity. Experience will also include the development of rapidly reactive computerised management information and control systems.

Existing top management is thrusting, and we seek a practical strategic thinker with a personality sufficiently robust to match this drive. Growth will accelerate, and other benefits will include a personal pension scheme. Assistance will be given with necessary relocation expenses to one of the pleasanter parts of the country.

Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to the Managing Director, Performance Management Limited, 8th Floor, Peter House, St Peter's Square, Manchester M1 5BH quoting reference P 107

PM Performance Management Limited
MANAGEMENT CONSULTANTS

Accountants seeking broad commercial roles

Aged 24-28 — **flex c.£15/20,000 + Car** — **West London**

Our client is a major 'household name' company, comprising of four operating companies, with a specialist corporate function at group level. As a result of an internal reorganisation and the rapid promotion of existing finance staff, positions have arisen both at divisional and group level for the more business minded accountant.

The divisional positions involve regular contact with Divisional Managing and Operating Directors, their Senior Management teams, and with Sales and Marketing personnel. As well as being involved in systems development in such areas as production planning, responsibilities will include the financial analysis and commercial planning of a wide range of product and service lines.

The group positions will include the analysis and planning for overall company profitability and progress. Clear thinking and a great degree of technical skill is required in the management and planning of a substantial balance sheet.

Candidates will be qualified with sufficient commercial flair to develop in these immediate roles, and have the determination and ability to be capable of promotion to senior management within a relatively short period of time.

A generous relocation package is available if appropriate, and the very attractive salary is negotiable according to experience rather than age.

Interested individuals should telephone or write enclosing a CV and a note of their salary to:
Karen Wilson BA, ACMA, Financial Management Selection Limited, 21 Cork Street, London W1X 1HB (Tel: 01-439 6911)

Financial Management Selection

TAX/TRUST PARTNER DESIGNATE CITY OF LONDON

FCAs 30–45 — **to £40,000**

Our client is a "top forty" long established, medium sized firm of Chartered Accountants in the City of London seeking to recruit a Tax/Trust Partner Designate.

Candidates (male or female) should be able to demonstrate in depth knowledge of trust work and in particular personal financial planning for wealthy individuals, families and tax planning related to landed estates, proprietor owned businesses and close companies.

The appointee currently at manager/salaried partner level should achieve partnership in one to two and a half years.

For more information please contact George Ormrod BA (Oxon) on 01-836 9501 or write with your cv to Douglas Llambias Associates Limited at our London address, quoting reference No. 5596.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants
DLA

Finance Director

Financial Services — **to £40,000**

Our client is a young, well established, very successful London based company providing a range of specialist merchant banking services to a niche market.

A new Finance Director is required following the promotion of the present incumbent to Chief Executive. He/she will be responsible for the complete financial control of the company, and will also be heavily involved in its banking activities, particularly in relation to treasury questions and the financing of major deals.

A qualified accountant, aged 35-45, is sought, who has a proven track record of success at senior level, ideally in financial services, aviation or shipping industries. Sound commercial judgement, a forward looking creative approach, good negotiating skills, and the ability to work well in a small team are essential qualities.

A remuneration package up to £40,000 plus car will be negotiated. Please write in complete confidence, quoting Ref. 1611, to Ian Odgers who is advising on the appointment.

Odgers
MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD. 01-499 8811
Telex 895-4969

Group Financial Analysis

S.W. Essex — **to £22,000 + car**

This is a rare opportunity to join a "blue-chip" British group at a senior level with assured prospects of continuing career progression. As a member of a small high-calibre team the person appointed will take responsibility for the strategic review of a substantial sector of the Group. The role is wide-ranging and embraces new product programmes, major capital projects and acquisition studies as well as the on-going analysis of plans and performance within the sector. The team has a high profile with reporting lines directly to the Board and senior executives. There is some travel to operating locations including occasional trips overseas. Applicants (male or female) should be aged around 30, and be qualified accountants with experience of a large company environment. The Group does not recruit "career analysts" so that applicants must show the experience or potential to move into a senior financial position with one of the operating subsidiaries, within about 2 years.
Ref: 1613/FT. Send c.v. (with telephone numbers) or write or phone for an application form to R.A. Phillips, ACIS, FCII, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

Phillips & Carpenter
Selection Consultants

Accountancy OPTIONS 01-541 5580 (24 hours)
6-8 Thames Street (opposite W.H. Smith) Kingston-Upon-Thames, Surrey KT1 1PE

CHIEF ACCOUNTANT/ CO. SEC.

WEST LONDON — **TO £18,000 + CAR**

A well established and very successful private trading company seeks a senior financial manager as one of four who report to the M.D. The company is well funded, profitable and at an interesting stage in its development. Plans for expansion and diversification are being formulated.

This appointment involves control and management of a small accounts team, operating a computerised accounting system. Clearly an important function is the provision of regular and accurate management information.

The post is expected to lead to a directorship and candidates should be mature, fully conversant with computerised accounts, and able to contribute to the management of this medium sized company (t/o £7m).

Please telephone or write to Robin Rotherham, as above, quoting ref. F.T. 0101.

BERMUDA

To $31,000 Tax Free

Qualified Accountant Aged 25–30 required by major U.S. Insurance company to account for captive insurance companies. Full training given. Salary $27–31,000 Tax Free. Excellent prospects within this large international company. Send CV to:

G. Harrall, F.C.A., A.C.M.A., M.B.A. (Harvard)

Financial Control Personnel
Saint Giles Lodge, Amersham Road, Chalfont St. Giles, Bucks. HP8 4RZ. Tel: (02407) 4291.

Overseas Accounting Manager

London based — **c.£19,000 plus car**

The head of overseas finance in this substantial international financial services group requires a qualified accountant to assist in the financial management of its overseas operations.

Working as part of a small team this person will be responsible for the management accounting and financial reporting for the whole overseas group. There will also be specific responsibility for the financial control of certain overseas group companies including financial analysis of results and providing financial advice to senior management.

Applicants for this position must be qualified and ideally aged between 27 and 32. Prior experience must include work on consolidations and financial analysis and some prior overseas commitment would be useful.

Please address brief personal and career details to Douglas G Mizon quoting reference F/785/M at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

E&W Ernst & Whinney

Chartered Accountant

Mid twenties

West End — **c £20,000 + car**

For a major and successful international group with diversified interests and worldwide sales in excess of £2,500 million.

You will join a small team at corporate headquarters reporting to the Financial Director on all aspects of the group's finance, tax and treasury. The position will involve developing new internal reporting requirements, the critical analysis of operating results and business plans as well as financial and statutory reporting to the Group Board. You will work closely with the group's professional advisors and top financial management in the UK, Europe and North America. In addition you can expect to be involved in investment studies and on a variety of 'ad hoc' projects for members of the Board.

You must be a qualified accountant with high technical ability and a first class record in one of the international accounting firms. There are excellent prospects for career and salary progression in this highly professional and commercial environment.

Please write in confidence to John Cameron, quoting ref. C440, at 11 Gough Square, London EC4A 3DE (telephone 01-583 3911).

Chetwynd Streets
Management Selection Limited

The Institute of Chartered Accountants in England and Wales

Results of Professional Examination II held in July 1985

LIST OF SUCCESSFUL CANDIDATES

A

Abbiss, R. A. L. (Price Waterhouse), London
Abdullah, T. Y. (Price Waterhouse), London
Abrahams, C. D. (Hays Allan), London
Abrey, I. N. (Neville Russell), London
Acker, D. E. (Robson Rhodes), London
Adams, J. P. A. (Arthur Andersen & Co), London
Adams, M. I. (Hacker Young), London
Adams, S. C. (Hunt Wagstaff), Yeovil, Somerset
Adamson, S. R. (Arthur Young), Bradford, W. Yorkshire
Adkins, S. P. (Dutton, Moore & Co), Hull
Afaq, M. A. (Kingsfords), London
Ah-Hen, C. F. (Whyatt Pakeman Partners), Bristol
Ahmed, N. (Callingham Crane), Leatherhead, Surrey
Akhtar, A. (Goodman Jones), London
Akhtar, N. (Nash Broad), London
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Aldridge, J. (Dearden Farrow), Bristol
Alex, I. N. (Touche Ross & Co), London
Alford, A. F. (Arthur Young), Southampton
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Allanby, E. G. C. (Touche Ross & Co), London
Allcock, D. L. (Newby, Castleman & Co), Leicester
Allen, A. V. M. (Arthur Andersen & Co), London
Allen, P. J. (Peat, Marwick, Mitchell & Co), London
Amin, S. R. (Pridie Brewster), London
Amin, S. (Leigh Carr & Partners), London
Amim, N. (Spicer and Pegler), London
Anastasiades, E. (Kalman, Blech & Co), London
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Anderson, M. E. (Peat, Marwick, Mitchell & Co), Leek, Staffs
Anderson, W. R. (Binder Hamlyn), Bury St Edmunds, Suffolk
Andrews, V. C. (Peat, Marwick, Mitchell & Co), London
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Anthony, R. J. (Price Waterhouse), London
Aplin, P. S. (A. C. Mole & Sons), Taunton, Somerset
Appleby, S. J. (Touche Ross & Co), Bristol
Appleford, N. A. (Moore Fletcher & Co), Sheffield
Appleton, P. M. (Deloitte Haskins & Sells) Reading
Armstrong, R. A. (Arthur Young), London
Armstrong, R. (Wells, Richardson & Co), Sheffield
Armstrong, S. W. (Jennings, Johnson & Co), Sunderland
Arnold, B. (Spicer and Pegler), Cardiff
Arnold, S. R. (Deloitte Haskins & Sells), London
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Atkinson, P. A. (Buckle, Barton & Co), Leeds
Audley-Miller, G. S. (KMG Thomson McLintock), London
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Austin, M. J. C. (Arthur Young), Bristol
Avery, R. E. (Ernst & Whinney), London
Avwunu, G. A. (Touche Ross & Co), London
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Aziz, K. (Leigh Carr & Partners), London

B

Backhouse, E. A. (Arthur Andersen & Co), Birmingham
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Bailey, G. S. (Coopers & Lybrand), Liverpool
Bailey, H. C. (Peat, Marwick, Mitchell & Co), Birmingham
Bailey, J. P. (Donald H. Bates & Co), Stoke-on-Trent
Bailey, M. E. (Neville Russell), London
Bailey, P. A. N. (Coopers & Lybrand), Jersey, Channel Islands
Bailey, P. S. (Touche Ross & Co), London
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Balfour, M. D. (Larking Gowen), Norwich
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Ballin, J. G. (Coopers & Lybrand), Leeds
Baluja, S. (Hugill & Co), London
Bambrough, E. R. (Thornton Baker), Newcastle upon Tyne
Bancroft, M. J. (Peat, Marwick, Mitchell & Co), Nottingham
Bancroft, P. (Coopers & Lybrand), London
Banks, P. H. (Price Waterhouse), Manchester
Barber, G. C. (Albert Goodman & Co), Taunton, Somerset
Barber, J. S. (KMG Thomson McLintock), Exeter
Barbour, D. J. (Touche Ross & Co), London
Bardwell, D. B. (Deloitte Haskins & Sells), London
Barfield, R. T. (Peat, Marwick, Mitchell & Co), Reading
Barker, C. A. (Neville Russell), London
Barker, H. A. (Price Waterhouse), Leeds
Barker, K. J. (Leach, Bright & Co), Guildford, Surrey
Barker, P. N. H. (Price Waterhouse), London
Barker, V. I. (Arthur Andersen & Co), Manchester
Barker, W. R. (Peat, Marwick, Mitchell & Co), Leeds
Barnett, M. S. (Stoy Hayward), London
Barnwell, S. M. (Bowen Dawes Wagstaff & Co), Worcester
Barr, D. C. A. (Deloitte Haskins & Sells), Leeds
Barradell, P. I. (Knill, Padgham & Grande), London
Barrett, P. M. (Price Waterhouse), London
Barritt, J. (Comins & Co), London
Barry, D. M. (Pannell Kerr Forster), London
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Bell, D. M. (Arthur Andersen & Co), London
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Bennett, P. (KMG Thomson McLintock), Newcastle upon Tyne
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Benny, A. C. (Neville Russell), Guildford, Surrey
Bentham, A. (Arthur Andersen & Co), London
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Brearley, J. R. (Coopers & Lybrand), Manchester

CONTINUED ON PAGE XIV

Warmest Congratulations

to R.A.L. Abbiss*

...and of course to all of the other candidates who were successful in this summer's P.E.2 examinations

For most of you, P.Q.E. notwithstanding, these results close the door on the academic phase of your career.

Not unreasonably you will be hoping that your success to date will help open a few doors for you in the future.

The difficulty of course is in opening the right ones. Those where your particular skills will be fully recognised, enabling you to prosper in an environment you feel part of.

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Manchester: Clarendon House, 81 Mosley Street, M2 3LQ: Alan Dickinson: 061-228 0396

Leeds: 13/14 Park Place, LS1 2SJ: Steven Broadhurst: 0532 450212

Glasgow: 150 West George Street, G2 2HG: Colin Mackay: 041-331 2597

**Mr. R. A. L. Abbiss has no connection with Michael Page Partnership. His name is used solely because it is the first on the Institute's pass list.*

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Comprehensive relocation facilities are available where appropriate. Interested applicants should contact **Alan Dickinson or Timothy Jury, quoting ref. 7022, on 061-228 0396** at Michael Page Partnership, Clarendon House, 81 Mosley Street, Manchester M2 3LQ.

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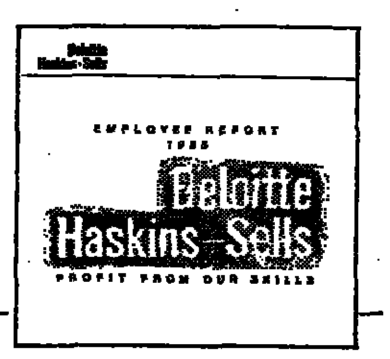

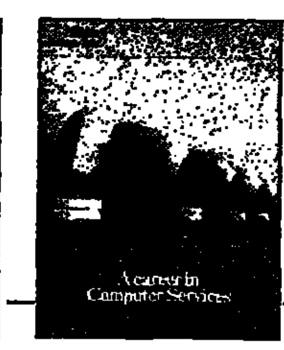

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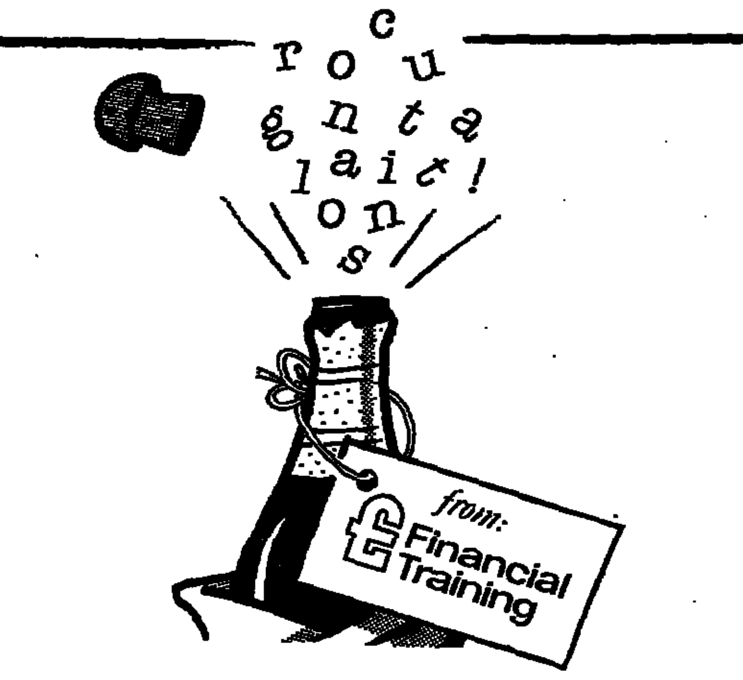

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The Institute of Chartered Accountants in England and Wales

Results of Professional Examination II held in July 1985

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Nathwani, A. (Dearden Farrow), London
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Naughton-Rumbo, M. H. (Ernst & Whinney), London
Navsaria, R. A. (Arthur Young), London
Nayler, J. M. (Thornton Baker), Brighton, E. Sussex
Naylor, P. D. (Ernst & Whinney), London
Neale, C. C. A. (Moore, Stephens & Co), London
Neale, P. E. (Coopers & Lybrand), Birmingham
Neville, G. A. G. (Ernst & Whinney), London
Newby, D. S. (Kidsons), Birmingham
Newcombe, S. Y. (Geoffrey L. Johnson & Co), Plymouth
Newland, A. D. W. (Peat, Marwick, Mitchell & Co), London
Newman, S. P. (Touche Ross & Co), London
Newton, R. (Brewer & Co), Guildford, Surrey
Ng, A. L. H. (Casson Beckman), London
Nice, A. J. (Ernst & Whinney), Sheffield
Nichol, A. J. (Armitage & Norton), Loughborough, Leics
Nicholas, A. P. (Coopers & Lybrand), Birmingham
Nicholls, M. P. (Dearden Farrow), Bradford, W. Yorkshire
Nicholls, W. E. (Deloitte Haskins & Sells), Bristol
Nicholson, D. W. (Keelings), London
Nicholson, H. J. (Coopers & Lybrand), Leicester
Nicoll, B. K. (Thornton Baker), Witney, Oxon
Nightingale, B. G. K. (Touche Ross & Co), Manchester
Nimmo, M. B. (Ernst & Whinney), Newcastle upon Tyne
Noble, R. G. (Price Waterhouse), London
Norman, M. C. A. (Citroen, Wells & Partners), London
Northover, M. P. (Ernst & Whinney), Leicester
Norwood, T. P. (Clark Whitehill), London
Nubbert, D. A. (Touche Ross & Co), London

O

O'Brien, P. M. (Ernst & Whinney), Ipswich
O'Connor, K. P. (Ramon Lee & Partners), London
O'Hara, D. J. (Peat, Marwick, Mitchell & Co), Leeds
O'Hara, R. F. (Rothman Pantall & Co), Eastleigh, Hants
O'Brien, K. (Royce, Peeling, Green & Co), Manchester
O'Brien, U. (Coopers & Lybrand), Jersey, Channel Islands
Odell, D. E. (Buzzacott & Co), London
Odoom, R. S. (Cartwrights), Barnet, Herts
O'Hare, M. T. (Coopers & Lybrand), London
Oldham, J. (J. Wild & Co), Manchester
Oliver, D. M. (Thornton Baker), Coventry
Oliver, J. A. (Price Waterhouse), London
O'Mahony, J. F. (Ball Baker Leake), London
Ong, E. S. (William Evans & Partners), London
Ong, H. S. (Ball Baker Leake), London
Ong, S. L. (Deloitte Haskins & Sells), London
Onsiong, S. S. (Revell Ward), Huddersfield
O'Reilly, C. D. (Coopers & Lybrand), Coventry
Outram, J. (Touche Ross & Co), Dartford
Overend, R. (Ernst & Whinney), London
Owen, B. E. (Peat, Marwick, Mitchell & Co), London
Owen, D. V. (Ernst & Whinney), London
Owen, S. J. (Peat, Marwick, Mitchell & Co), Liverpool
Owen, T. B. (Touche Ross & Co), Wolverhampton
Oxlade, J. A. (Seymour, Taylor & Co), High Wycombe, Bucks

P

Padgett, C. R. (Peat, Marwick, Mitchell & Co), Bradford, W. Yorkshire
Paget, D. V. J. (Price Waterhouse), Windsor, Berks
Paine, N. (KMG Thomson McLintock), Exeter
Palmer, A. E. (Price Waterhouse), Southampton
Panayiotou, P. (Price Waterhouse), Birmingham
Papamichael, P. (Arthur Young), London
Papps, C. J. L. (Shipley Blackburn), London
Papworth, H. S. (Price Waterhouse), London
Parker, A. (Coopers & Lybrand), Birmingham
Parker, M. (Wilson, de Zouche & Mackenzie), Liverpool
Parker, N. (Griffin Wilson Dunell), Bedford
Parkinson, M. F. (Ramon Lee & Partners), London
Parr, T. F. X. (Chadwick & Co), Liverpool
Parsons, A. C. (Coopers & Lybrand), Cardiff
Parsons, C. J. (Coopers & Lybrand), Coventry
Pask, S. D. (Lakin Clark & Co), Canterbury, Kent
Patel, A. C. (Peat, Marwick, Mitchell & Co), London
Patel, D. R. (Brooks & Partners), London
Patel, G. K. (Haines Watts), Reading
Patel, R. V. (Kunches), London
Patel, S. J. (Ball Baker Leake), London
Paterson, J. K. R. (Peat, Marwick, Mitchell & Co), London
Paterson, R. C. (Clark Whitehill), London
Patrick, A. P. (Ernst & Whinney), Southampton
Patrickson, J. (Binder Hamlyn), Newcastle upon Tyne
Patterson, M. S. (Ernst & Whinney), Manchester
Pattison, M. V. (Ernst & Whinney), London
Payne, R. M. (Coopers & Lybrand), London
Peacey, S. M. (Peat, Marwick, Mitchell & Co), London
Pearsall, C. J. (Weller, Messenger & Kirkman), Oxford
Pearson, C. E. (Peat, Marwick, Mitchell & Co), London
Pearson, D. S. C. (Touche Ross & Co), Newport, Gwent
Pearson, J. F. R. (Whyatt Pakeman Partners), Bristol
Peaty, S. A. (Thornton Baker), Nottingham
Pedersen, C. L. (Coopers & Lybrand), Reading
Pellow, S. E. (Peat, Marwick, Mitchell & Co), London
Pemberton, C. M. (KMG Thomson McLintock), Manchester
Penington, S. P. (Clement Keys & Co), West Bromwich, W. Midlands
Percy, J. G. (Ernst & Whinney), Manchester
Perkin, A. R. N. (Jolliffe Cork & Co), Wakefield, W. Yorkshire
Perry, D. K. (Price Waterhouse), London
Peters, J. A. (Thornton Baker), Leicester
Peters, P. M. (Bland Fielden), Colchester
Peters, S. K. (Arthur Young), London
Petley, D. (Stoy Hayward), London
Phelan, E. (King, Hope & Co), Stockton-on-Tees, Cleveland
Phillips, P. G. (Rawlinson and Hunter), London
Phillips, S. R. (Ernst & Whinney), Hull
Phillips-Jones, H. J. (Thornton Baker), Cardiff
Phipps, E. W. (Binder Hamlyn), London
Pickard, M. D. (Coopers & Lybrand), Northampton
Pickering, K. A. (Lenton, Hill & Hilton), Nottingham
Pinnock, R. M. (Thornton Baker), Bedford
Plenty, L. S. (Robson Rhodes), London
Plumbly, A. P. (Binder Hamlyn), London
Plummer, J. J. (Peat, Marwick, Mitchell & Co), London
Plumridge, R. C. (Ernst & Whinney), Exeter
Poffley, B. J. (Peat, Marwick, Mitchell & Co), London
Pomfret, A. D. (Peat, Marwick, Mitchell & Co), London
Pooley, D. H. (Peat, Marwick, Mitchell & Co), St Austell, Cornwall
Popkiss, S. A. (Deloitte Haskins & Sells), Bristol
Porter, J. P. F. (Arthur Young), Bristol
Porter, S. N. (Coopers & Lybrand), Reading
Potter, D. (Armitage & Norton), Preston
Potts, G. M. (Lentells), Crewkerne, Somerset
Poulten, A. W. (Deloitte Haskins & Sells), Chester
Poulton, C. J. (Coopers & Lybrand), Southampton
Pratt, G. R. (Frazer, Whiting & Co), Romford
Pratt, K. C. (Peat, Marwick, Mitchell & Co), London
Pratt, M. W. (Chalmers, Impey & Co), Liverpool
Pratt, R. L. M. (Deloitte Haskins & Sells), London
Preece, K. A. (Peat, Marwick, Mitchell & Co), Birmingham
Priddle, M. W. (Hope Agar Smallfield & Co), London
Pritchard, J. M. (Touche Ross & Co), Liverpool
Pritchard, R. (Pannell Kerr Forster), London
Probyn, S. M. (Ernst & Whinney), Exeter
Proudfoot, C. J. (Peat, Marwick, Mitchell & Co), Darlington, Co. Durham
Pulsford, G. M. (Arthur Young), London

Q

Quiligotti, S. A. (Pannell Kerr Forster), Manchester
Quinn, E. H. (Peat, Marwick, Mitchell & Co), Stoke-on-Trent
Quinn, N. S. (Coopers & Lybrand), London

R

Raby, N. L. (Coopers & Lybrand), London
Rae, K. (KMG Thomson McLintock), London
Raimbach, J. M. S. (F. L. Rouse & Co), Beaconsfield, Bucks
Ramsay, A. J. (Ernst & Whinney), London
Ramu, R. (Ferguson Maidment & Co), London
Randhawa, H. S. (Touche Ross & Co), London
Ranson, H. J. (Price Waterhouse), Newcastle upon Tyne
Raper, S. D. (Fox & Hoare), London
Rashid, T. (Westbury, Schotness & Co), London
Rattan, A. (Touche Ross & Co), London
Ray, C. W. (Thornton Baker), London
Ray, S. A. (Hodgson Impey), London
Read, S. J. (Price Waterhouse), London
Reaney, A. J. (M. I. Vantham & Co), Hockley, Essex
Reed, J. G. (Josolyne & Co), Keighley, W. Yorkshire
Rees, M. T. (Kidsons), London
Reeve, P. H. (Deloitte Haskins & Sells), London
Reeves, A. J. (Arthur Young), Bristol
Reid, M. D. (Ernst & Whinney), Bristol
Reid, N. C. (Peat, Marwick, Mitchell & Co), London
Reilly, A. W. (Arthur Young), Manchester
Rennard, P. A. (Peat, Marwick, Mitchell & Co), London
Rennison, M. M. (Price Waterhouse), Manchester
Reston, J. C. (Peat, Marwick, Mitchell & Co), London
Rey, A. J. G. R. A. (Coopers & Lybrand), London
Reynolds, D. M. (Ensors), Ipswich
Reynolds, S. M. (Arthur Young), Liverpool
Rhind, K. J. (Wilkins, Kennedy & Co), London
Rhodes, P. M. (Hodgson Impey), Hull
Rhodes, S. L. (Baker Rooke), Solihull, W. Midlands
Rice-Jones, D. W. (Thornton Baker), London
Richards, D. H. (Peat, Marwick, Mitchell & Co), London
Richards, K. S. (Coopers & Lybrand), Nottingham
Richardson, C. C. (Arthur Andersen & Co), Liverpool
Richardson, I. C. (Hill Vellacott), London
Richardson, P. (Finnie & Co), London
Richardson, P. W. (Spicer and Pegler), Birmingham
Richardson, S. J. (Coopers & Lybrand), Bedford
Richter, A. (Thornton Baker), Bedford
Ricketts, P. E. (Bolton, Colby), Staines, Middx
Rickler, J. A. (Hasters), Woodford Green, Essex
Riddell, J. D. (A. E. Hook & Co), Newport, Isle of Wight
Riese, M. E. (Arthur Young), London
Riley, P. J. (Binder Hamlyn), Manchester
Risdale, S. (Peat, Marwick, Mitchell & Co), Nottingham
Ritchie, N. (Touche Ross & Co), Manchester
Roberts, A. (Pratt & Co), Tunbridge Wells, Kent
Roberts, A. (Casson Beckman), London
Roberts, C. E. (Price Waterhouse), Liverpool
Roberts, D. G. (Thornton Harper & Relph), Preston
Roberts, D. W. (Littlejohn de Paula), London
Roberts, F. A. (Deloitte Haskins & Sells), London
Roberts, K. J. (Deloitte Haskins & Sells), London
Roberts, K. M. (Coopers & Lybrand), Birmingham
Roberts, K. (J. Wild & Co), Manchester
Roberts, T. J. (Fraser Keen), London
Robertson, N. A. (KMG Thomson McLintock & Co), Bristol
Robertson, E. M. (Hodgson Impey), London
Robinson, A. M. V. (KMG Thomson McLintock & Co), Bristol
Robinson, A. D. F. (Price Waterhouse), London
Robinson, H. E. (Arthur Young), London
Robinson, M. W. (Coopers & Lybrand), London
Robinson, S. M. (Larking & Larking), Maidstone, Kent
Robinson, T. J. (Price Waterhouse), London
Robotham, R. J. (Price Waterhouse), Windsor, Berks
Robson, M. T. (Price Waterhouse), London
Robson, S. (Jennings, Johnson & Co), Sunderland
Roden, G. D. (Spicer and Pegler), London
Rodmell, C. A. G. (Richardson, Hall, Kennedy & Co), Gateshead, Tyne and Wear
Rodriguez, J. (Peat, Marwick, Mitchell & Co), Reading
Roff, S. M. (KMG Thomson McLintock & Co), London
Rogan, D. C. (Coopers & Lybrand), Leeds
Rogers, C. C. B. (Price Waterhouse), London
Romanski, M. A. C. (Coopers & Lybrand), London
Rook, D. P. (Thornton Baker), Bournemouth, Dorset
Roome, F. K. (Coopers & Lybrand), London
Root, M. R. (Bland Fielden), Colchester
Root, P. J. (Burton, Sweet & Co), Bristol
Roper, D. W. (Price Waterhouse), Liverpool
Roper, G. (Langley, Stuttard & Co), Nelson, Lancs
Rorison, M. J. (Coopers & Lybrand), London
Rose, M. (Thornton Baker), Bournemouth, Dorset
Rosen, N. D. (Peat, Marwick, Mitchell & Co), London
Rountree, R. J. (Touche Ross & Co), London
Rowley, M. A. (Coopers & Lybrand), Leeds
Royse, H. W. S. (Neville Russell), Norwich
Rozon, P. (Deloitte Haskins & Sells), London
Ruffles, M. J. (John M. Winter & Sons), London
Rundle, B. G. (Deloitte Haskins & Sells), Newcastle upon Tyne
Ruocco, C. M. (Pridie Brewster), London
Rupall, T. S. (Arthur Andersen & Co), London
Russell, M. D. (Ernst & Whinney), Leicester
Rutenberg, I. (Binder Hamlyn), Birmingham
Ryley, D. J. (Price Waterhouse), Dudley, W. Midlands

S

Sallis, J. S. (Hubbart, Durose & Pain), Nottingham
Salzen, F. (Spicer and Pegler), London
Samuel, S. P. (Lonsdale & Marsh), Liverpool
Sanderson, S. M. (Price Waterhouse), London
Sapat, D. R. (Spicer and Pegler), London
Sarna, N. K. (Chancellers), Watford
Sartori, L. M. A. (Fraser Keen), London
Saunders, A. (Thornton Baker), Brighton, E. Sussex
Savill, C. (Price Waterhouse), London
Saville, M. E. G. (Vice Marks Steed & Co), Leeds
Savvides, M. A. (Touche Ross & Co), London
Saw, H. H. (Peat, Marwick, Mitchell & Co), Sheffield
Schick-Maier, A. (Ball Baker Leake), London
Schofield, J. (Crossley & Davis), Chorley, Lancs
Score, T. (Arthur Andersen & Co), London
Scott, C. J. V. (Arthur Young), London
Scott, C. A. (Thornton Baker), Bury St Edmunds, Suffolk
Scott, L. A. (Stoy Hayward), London
Scott, M. L. (Kingsford Garland), Maidstone, Kent
Scott, P. L. M. (Arthur Young), London
Searle, C. J. (Buzzacott & Co), London
Searle, P. J. (Robson Rhodes), Leicester
Seaward, C. (Pannell Kerr Forster), Douglas I.o.M.
Seaward, J. (Thornton Baker), Southampton
Seddon, J. D. (Deloitte Haskins & Sells), London
Seferis, C. C. (Hughes Allen), London
Seftel, D. A. (Saffery Champness), London
Segal, M. J. (Spicer and Pegler), London
Self, D. K. (Clark Whitehill), London
Selvarajah, S. (Coopers & Lybrand), London
Senior, K. W. (Ernst & Whinney), Bristol
Sercombe, S. J. (Ernst & Whinney), Luton
Setterfield, W. G. (Ernst & Whinney), London
Severn, L. T. (Thornton Baker), Witney, Oxon
Seymour, G. M. (Forrester Boyd), Grimsby, S. Humberside
Shah, M. (Dearden Farrow), London
Shah, R. T. (Newman & Partners), London
Shah, R. L. (Price Waterhouse), London
Shah, R. N. (Civvals), London
Shah, S. (Binder Hamlyn), Birmingham
Shannon, P. G. (Jacob, Cavenagh & Skeet), Sutton, Surrey
Shannon, T. R. (KMG Thomson McLintock), London
Sharkey, A. B. (Hays Allan), London
Sharma, H. K. (Frazer, Whiting & Co), London
Sharman, T. (Baker Rooke), Yeovil, Somerset
Sharp, J. M. I. (Pannell Kerr Forster), Douglas, Isle of Man
Sharpe, G. M. (Beecham & Co), London
Sharpe, G. R. (Casson Beckman), London
Sharpstone, L. E. (Price Waterhouse), London
Shaughnessy, C. (Jewitt, Sparrow & Swinbank), Stockton-on-Tees, Cleveland
Shaw, A. M. (Silver Altman), London
Shaw, R. S. P. (Binder Hamlyn), Newcastle upon Tyne
Shearer, D. M. (Hawson & Co) Sheffield
Sheriff, E. O. (Saffery Champness), London
Sherry, A. P. (Wise & Co), Farnham, Surrey
Shiers, P. T. (Deloitte Haskins & Sells), Gloucester
Shinn, D. J. B. (Plummer Parsons), Eastbourne, E. Sussex
Shirt, J. R. (Pannell Kerr Forster), Sheffield
Short, C. D. (Peat, Marwick, Mitchell & Co), London
Siddal, A. H. (Armitage & Norton), Halifax, W. Yorkshire
Silk, J. S. (Arthur Young), Bradford, W. Yorkshire
[illegible]
Simpson, A. (Spicer and Pegler), Bournemouth, Dorset
Simpson, D. A. (Thornton Baker), Birmingham
Simpson, D. R. (Edwin Smith & Co), Reading
Simpson, D. L. (Deloitte Haskins & Sells), London
Sims, D. B. (Touche Ross & Co), Cardiff
Sinclair, C. A. (Price Waterhouse), London
Singh, B. P. (Kingston Smith & Co), London
Singh, K. (J. W. Luckman & Co), Coventry
Singleton, K. A. (Peat, Marwick, Mitchell & Co), London
Sinnott, M. (Pannell Kerr Forster), London
Skidmore, J. (Dafferm & Co), Coventry
Skinner, J. I. (Duncan Sheard Glass & Co), Liverpool
Slade, R. J. (Deloitte Haskins & Sells), London
Slavin, L. M. (Ramsay Brown & Partner), London
Sleath, D. J. R. (Arthur Andersen & Co), Birmingham
Small, S. A. (Peat, Marwick, Mitchell & Co), Birmingham
Smart, D. A. (Arthur Young), London
Smart, E. M. (Arthur Young), London
Smilg, J. (Price Waterhouse), London
Smith, A. D. (Lithgow, Nelson & Co), Southport, Merseyside
Smith, C. A. (Larking Gowen), Norwich
Smith, C. R. (Armitage & Norton), Leeds
Smith, D. V. (Moores & Rowland), London
Smith, E. M. (Coopers & Lybrand), Reading
Smith, F. E. (Donald H. Bates & Co), Stoke-on-Trent
Smith, G. R. (Ernst & Whinney), Hull
Smith, G. A. (Spicer and Pegler), London
Smith, J. D. (Dearden Farrow), London
Smith, J. R. (Touche Ross & Co), London
Smith, J. R. D. (Spicer and Pegler), London
Smith, J. C. H. (Deloitte Haskins & Sells), Leeds
Smith, J. A. (Thornton Baker), Brighton, E. Sussex
Smith, J. A. (Touche Ross & Co), London
Smith, L. C. (Binder Hamlyn), Newcastle upon Tyne
Smith, M. W. (Arthur Young), London
Smith, M. R. T. (Peat, Marwick, Mitchell & Co), London
Smith, N. S. (Ernst & Whinney), London
Smith, P. C. R. (Peat, Marwick, Mitchell & Co), Birmingham
Smith, P. J. (Arthur Young), London
Smith, R. D. (Peat, Marwick, Mitchell & Co), Birmingham
Smith, R. (Robson Taylor), Bath
Smith, S. L. (Binder Hamlyn), Bury St Edmunds, Suffolk
Smith, S. (Crossley & Davis), Sunderland
Smith, S. R. (Littlejohn de Paula), London
Smith, S. J. (Robson Rhodes), London
Smith, T. D. (Duncan & Toplis), Grantham, Lincs
Smoczynski, I. (Gorrie (Stanley), Whitson & Co), London
Snowball, I. (Peat, Marwick, Mitchell & Co), Darlington, Co. Durham
Snowling, M. C. (Pratt & Co), Tunbridge Wells, Kent
Someshwar, A. H. (Spicer and Pegler), London
Soulsby, P. G. (Ernst & Whinney), Leicester
Southcott, P. J. (Kingston Smith & Co), London
Southerington, N. J. (Newby, Castleman & Co), Melton Mowbray, Leics
Speight, M. J. (Chantry Wood King), London
Spence, N. A. (Little (Geo.), Sebire & Co), London
Spinks, S. A. (KMG Thomson McLintock), Birmingham
Squires, R. (Ernst & Whinney), Manchester
Stanley, P. (Mitchell Charlesworth), Liverpool
Startup, M. J. (F. W. Stephens & Co), London
Staszkiewicz, R. P. (Binder Hamlyn), Nottingham
Statt, A. H. (Touche Ross & Co), London
Stean, M. F. (Casson Beckman), London
Stebbing, G. F. M. (Binder Hamlyn), London
Stemming, V. C. (Arthur Young), London
Stephen, T. M. (Buzzacott & Co), London
Stephens, D. (Ernst & Whinney), London
Stephenson, D. (Coopers & Lybrand), Leeds
Steward, V. E. (KMG Thomson McLintock), London
Stewart, I. G. (Peat, Marwick, Mitchell & Co), Leeds
Stewart, M. R. (Price Waterhouse), Liverpool
Stocker, C. A. (Ernst & Whinney), London
Stokes, J. J. (Kidsons), London
Stone, C. E. (Ernst & Whinney), London
Stow, N. J. (KMG Thomson McLintock), London
Strang, M. J. (Price Waterhouse), London
Stubbs, R. G. (Clark Whitehill), London
Sutcliffe, K. M. (Crossley & Davis), Blackpool
Swain, C. D. P.-B. (Deloitte Haskins & Sells), London
Swain, D. A. J. (Hill Vellacott), London
Sweeny, J. T. (Haines Watts), Reading
Sykes, R. A. (Hope Agar Smallfield & Co), London

T

Taljaard, D. L. M. (Ernst & Whinney), London
Tan, D. T. T. (Neville Russell), Sutton, Surrey
Tanna, D. C. (Alfred Tooke & Co), London
Tatham, E. J. (Spicer and Pegler), London
Tatlock, K. M. (Dearden Farrow), St Albans, Herts.
Taulbut, S. M. (Coopers & Lybrand), Reading
Taylor, A. C. M. (Deloitte Haskins & Sells), London
Taylor, A. J. J. (Arthur Andersen & Co), Leeds
Taylor, E. (R. Gibbons & Co), Workington, Cumbria
Taylor, G. S. F. (Price Waterhouse), London
Taylor, J. B. (Newby, Castleman & Co), Melton Mowbray, Leics
Taylor, J. M. (Deloitte Haskins & Sells), Birmingham
Taylor, J. M. (Peat, Marwick, Mitchell & Co), Stoke-on-Trent
Taylor, K. G. (Spicer and Pegler), Newcastle-upon-Tyne
Taylor, N. K. J. (Coopers & Lybrand), London
Taylor, R. B. (Ernst & Whinney), London
Taylor, S. C. (Peat, Marwick, Mitchell & Co), London
Taylor-Moore, K. (Thornton Baker), Aylesbury, Bucks
Temple, S. D. M. (Peat, Marwick, Mitchell & Co), London
Tew, P. F. (Afford, Bond & Co), Nantwich, Cheshire
Thakker, M. B. (Pannell Kerr Forster), London
Thom, A. G. (Dearden Farrow), London
Thomas, A. A. M. (Clark Whitehill), London
Thomas, E. L. (Stoy Hayward), London
Thomas, G. C. (Peat, Marwick, Mitchell & Co), Cardiff
Thomas, J. E. (Deloitte Haskins & Sells), Southampton
Thomas, N. J. (Ernst & Whinney), London
Thomas, T. L. (Arthur Andersen & Co), London
Thompson, A. M. (Shipley Blackburn), Harrow, Middlesex
Thompson, A. R. (Stanley A. Spofforth & Co), London
Thompson, D. J. (Price Waterhouse), London
Thompson, M. D. (Thomas May & Co), Leicester
Thomson, A. J. M. (Thornton Baker), Reading
Thomson, I. S. (KMG Thomson McLintock), Birmingham
Thorne, G. P. (Ernst & Whinney), Manchester
Thorpe, A. (Barber, Harrison & Platt), Sheffield
Tidbury, H. A. C. (Peat, Marwick, Mitchell & Co), London
Tierney, H. (Deloitte Haskins & Sells), Cambridge
Tollett, J. M. (Coopers & Lybrand), Birmingham
Tomlin, A. C. (Neville Russell), Luton
Tomlinson, C. (KMG Thomson McLintock), Leicester
Tomlinson, C. H. (Price Waterhouse), London
Tomlinson, J. R. (Touche Ross & Co), London
Tompsett, F. M. (Finnie & Co.), Reading
Tonge, L. S. (Cooper Basden & Adamson), Bolton
Topping, J. L. (Deloitte Haskins & Sells), Manchester
Towell, M. (Buzzacott & Co), London
Towsson, N. D. (Ernst & Whinney), London
Trachonitis, G. (KMG Thomson McLintock), London
Travis, D. J. (Ernst & Whinney), Manchester
Triniman, C. P. (Peat, Marwick, Mitchell & Co), Camborne, Cornwall
Truin, W. J. (Deloitte Haskins & Sells) Leeds
Tsang Chin Wing, A. (Maw Temple Gothard), Havant, Hampshire
Tubby, M. D. (Frazer, Whiting & Co), London
Tucker, M. E. (Price Waterhouse), London
Tudebery, J. F. (Deloitte Haskins & Sells), Southampton
Tufts, D. S. (Arthur Young), Southampton
Tully, R. T. (Peat, Marwick, Mitchell & Co), Newcastle-upon-Tyne
Turner, D. H. W. (Price Waterhouse), London
Turner, D. R. B. (Spicer and Pegler), Cambridge
Turner, J (Arthur Andersen & Co), London
Turner, J. G. (Arthur Young), London
Turner, P. M. F. (Binder Hamlyn), London
Turner, R. B. (Ernst & Whinney), Luton
Tutton, A. L. (Price Waterhouse), London
Tyler, F. J. (Spicer and Pegler), Southampton

U

Udal, N. A. (Deliotte Haskins & Sells), London

V

Vallis, A. C. (Price Waterhouse), London
Vardigans, S. G. (Price Waterhouse), London
Veerappan, B. (Gerald Edelman & Co), London
Vellam, I. (Thornton Baker), Bury St Edmunds, Suffolk
Venables, N. A. (Arthur Young), London
Ventre, N. J. (Price, Bailey & Partners), Bishop's Stortford, Hertfordshire
Verity, R. A. (Peat, Marwick, Mitchell & Co), London
Vevers, M. R. (Arthur Andersen & Co), London
Vickery, C. A. (Neville Russell), Brighton, E. Sussex
Vijh, D. (Crossley & Davis), London
Voce, K. D. (Ernst & Whinney), Leicester
Vracas, A. P. (Deloitte Haskins & Sells), London

W

Wade, D. P. (Pridie Brewster), London
Wale, J. M. M. (Deloitte Haskins & Sells), London
Walford, D. J. (Moss & Williamson), Ashton-under-Lyne, Lancs
Walker, C. D. (Hill Vellacott), London
Walker, D. J. (Gardiners), Scarborough, N. Yorkshire
Walker, K. (Beever & Struthers), Manchester
Wallis, A. K. A. (Coopers & Lybrand), London
Wallis, M. A. (Spicer and Pegler), Bournemouth, Dorset
Wallis, R. L. R. (Arthur Young), London
Walsh, G. M. (Dixon Wilson), London
Walsh, J. W. (Carter, Chaloner & Kearns), Manchester
Walter, V. (Peat, Marwick, Mitchell & Co), London
Wan Daud, W. T. (Hughes Allen), London
Warburton, A. G. (Beavis Walker), London
Ward, G. C. (Arthur Young), Newcastle upon Tyne
Ward, M. S. (Price Waterhouse), London
Ward, R. N. (Herbert Pepper & Rudland), Walsall
Wareing, M. C. J. (Peat, Marwick, Mitchell & Co), London
Waring, R. (Arthur Andersen & Co), London
Warren, D. (J. H. Waring & Co), Bolton
Warriner, L. E. (Armitage & Norton), Leeds
Wasanl, S. S. (Pridie Brewster), London
Wasden, M. (Bruber, Allen & Trapp), London
Wassall, J. W. (Thornton Baker), Evesham, Worcs
Waters, N. A. J. (Deloitte Haskins & Sells), Reading
Waters, S. G. (Baker Rooke), London
Watson, A. (Deloitte Haskins & Sells), Manchester
Watson, D. C. D. (Price Waterhouse), London
Watson, P. B. (Deloitte Haskins & Sells), Southampton
Watson, S. D. (Stoy Hayward), London
Watson, S. M. (Polkinghornes), Chelmsford
Watson, S. W. (Price Waterhouse), Nottingham
Watson, S. L. (Ball Baker Leake), London
Watts, D. J. (Peat, Marwick, Mitchell & Co), Birmingham
Waxman, P. H. (Binder Hamlyn), Manchester
Way, R. M. (Deloitte Haskins & Sells), Cambridge
Weatherley, S. G. (Spicer and Pegler), Southampton
Webb, A. H. (Shipley Blackburn), London
Webb, D. C. P. (Walter J. Edwards & Co), Walsall
Webb, D. R. (Price Waterhouse), Windsor, Berks
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Webb, M. L. (Mercer & Hole), St Albans, Herts
Webster, E. M. (Deloitte Haskins & Sells), London
Webster, M. I. (Ernst & Whinney), Leicester
Webster, N. M. (Coopers & Lybrand), Leeds
Webster, S. J. (Peat, Marwick, Mitchell & Co), Birmingham
Wee, C. P. (Caldwell & Braham), London
Weeks, P. E. (Price, Bailey & Partners), Harlow, Essex
Welch, J. A. (Coopers & Lybrand), Nottingham
Welland, R. A. (Menzies Middleton Hawkins & Co), Woking, Surrey
Wellham, C. P. (Spicer and Pegler), Cambridge
Wells, A. J. (Howard Tilly & Co), London
Wells, N. D. (Price Waterhouse), Bristol
Werth, R. G. (Stoy Hayward), London
West, R. N. (Arthur Young), London
Westlake, A. J. T. (Price Waterhouse), London
Wheeler, L. E. (Touche Ross & Co), London
White, A. F. (Ernst & Whinney), Bideford, Devon
White, K. (Price Waterhouse), London
White, N. (Binder Hamlyn), London
White, S. P. (Arthur Young), London
Whitehead, W. F. (Arthur Young), Newcastle upon Tyne
Whiteley, E. (Arthur Young), Manchester
Whitmarch, D. E. (Weeks Green), Southampton
Whitmore, B. J. (Touche Ross & Co), Cardiff
Whitaker, E. (Longcrofts), London
Whittall, A. J. (Peat, Marwick, Mitchell & Co), Cardiff
Whittle, S. J. (Peat, Marwick, Mitchell & Co), Liverpool
Whitworth, A. M. (Coopers & Lybrand), Leeds
Widdowson, K. M. (Armitage & Norton), Leeds
Wigmore, J. A. E. (Touche Ross & Co), London
Wilkie, I. R. (Arthur Young), London
Wilkins, M. T. (Hardcastle Burton), Hoddesdon, Herts
Wilkinson, S. T. T. (Lemells), Seaton, Devon
Willard, J. A. (Peat, Marwick, Mitchell & Co), Leek, Staffs
Willetts, M. D. (Littlejohn de Paula), London
Willey, K. L. (Spicer and Pegler), London
Williams, C. L. (Arthur Andersen & Co), Leeds
Williams, H. G. T. (Coopers & Lybrand), London
Williams, K. J. (Coopers & Lybrand), London
Williams, K. G. (Hubbart, Durose & Pain), Nottingham
Williams, M. (Spicer and Pegler), Leeds
Williams, M. J. (Duncan Sheard Glass & Co), Liverpool
Williams, N. S. L. (Bishop Fleming), Exeter
Williams, N. L. M. (Appleby English & Partners), Bristol
Williams, P. T. (Touche Ross & Co), Manchester
Williams, S. (W. H. Payne & Co), London
Williams, V. E. (Thorne Widgery), Hereford
Williams-Gaston, N. R. (Lakin Clark & Co), Chatham, Kent
Williamson, R. I. (Crossley & Davis), Chorley, Lancs
Willner, A. D. (Arthur Andersen & Co), London
Wills, M. J. (Crossley & Davis), Blackpool
Wills, S. P. (Ernst & Whinney), London
Wilson, A. J. G. (Thornton Baker), Newcastle upon Tyne
Wilson, A. F. (Dearden Farrow), London
Wilson, D. H. (Coopers & Lybrand), London
Wilson, I. D. (Revell Ward), Huddersfield
Wilson, J. H. (Coopers & Lybrand), Leeds
Wilson, M. L. (Arthur Young), Bradford, W. Yorkshire
Wilson, M. T. (Thornton Baker), Leicester
Wilson, S. P. (Ernst & Whinney), London
Wiltshire, C. M. (P. D. Leake & Co), London
Windsor, N. W. H. (Deloitte Haskins & Sells), Birmingham
Winfield, C. R. (Touche Ross & Co), Birmingham
Winter, P. S. (Stoy Hayward), London
Wise, A. E. (Ernst & Whinney), London
Witter, M. (KMG Thomson McLintock), London
Wolff, A. H. (Price Waterhouse), London
Wong, H. B. (Percy Phillips & Co), London
Wong, H. S. (Coopers & Lybrand), London
Wong, M. H. (Bun Cozens & Co), Colchester
Wongsoo, F. V. H. (Hacker Young), London
Wood, D. J. (Wheawill & Sudworth), Leeds
Wood, L. (Hodgson & Meskin), Skipton, N. Yorkshire
Wood, M. H. (Kidsons), Chelmsford
Wood, N. R. H. (Howard Tilly & Co), London
Wood, S. J. (Halpern and Woolf), London
Woodbridge, C. (Thornton Baker), Fleetwood, Lancs
Woodhead, C. J. (Wells, Richardson & Co), Sheffield
Woodhouse, C. K. (Price Waterhouse), London
Woodley, J. (Price Waterhouse), London
Woodley, Q. N. (Price Waterhouse), London
Woodrough, S. J. (Monahan & Co), Swindon
Woolard, A. C. (King, Hope & Co), Stockton-on-Tees, Cleveland
Woolcott, J. R. (Coopers & Lybrand), London
Wooller, J. A. (Price Waterhouse), London
Woollett, P. L. (Neville Russell), Birmingham
Wragg, D. C. (Solomon Hare & Co), Bristol
Wray, M. J. (Roberts, McLennan & Co), Woking, Surrey
Wright, A. M. (Arthur Andersen & Co), London
Wright, C. (Price Waterhouse), Dudley, W. Midlands
Wright, C. J. (Hugill & Co), London
Wright, G. A. N. (Arthur Andersen & Co), London
Wright, L. J. (Pannell Kerr Forster), Sheffield
Wright, N. A. (Thornton Baker), Northampton
Wright, P. (Touche Ross & Co), Newcastle upon Tyne
Wu, W. (Binder Hamlyn), London
Wyatt, M. (Whitley, Stimpson & Partners), Banbury, Oxon.
Wyatt, S. D. (KMG Thomson McLintock), Basingstoke, Hants
Wythe, P. S. (Ball Baker Leake), London

X

Xuereb, K. R. (Touche Ross & Co), London

Y

Yap, S. W. (Jayson Arnold & Fowell), London
Young, G. R. (Price Waterhouse), London
Young, S. A. (Touche Ross & Co), Leicester
Young, T. K. (Thornton Baker), Oxford
Yu, E. (Tullett & Co), Barking, Essex
Yuille, A. (Haslams), Warrington

Z

Zychowski, A. W. (Price Waterhouse), London